



November 30, 2023

CALL AND NOTICE OF A REGULAR MEETING OF THE
EXECUTIVE COMMITTEE
OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTICE is hereby given that a regular meeting of the Executive Committee will be held Wednesday, December 6, 2023, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 91505.

In addition to attending the meeting in person, members of the public may observe the meeting telephonically and may offer comment in real time through the following number:

*Dial In: (978) 990-5000
Access Code: 880737*

Terri Williams, Board Secretary
Burbank-Glendale-Pasadena Airport Authority

REGULAR MEETING
OF THE
EXECUTIVE COMMITTEE
Airport Skyroom
Wednesday, December 6, 2023
9:00 a.m.

The public comment period is the opportunity for members of the public to address the Committee on agenda items and on airport-related non-agenda matters that are within the Committee's subject matter jurisdiction. At the discretion of the presiding officer, public comment on an agenda item may be presented when that item is reached.

Members of the public are requested to observe the following decorum when attending or participating in meetings of the Committee:

- *Turn off cellular telephones and pagers.*
- *Refrain from disorderly or boisterous conduct, including loud, threatening, profane, or abusive language, clapping, whistling, stamping, or other acts that disrupt or otherwise render unfeasible the orderly conduct of the meeting.*
- *If you desire to address the Committee during the public comment period, fill out a speaker request card and present it to the Board Secretary.*
- *Confine remarks to agenda items or to airport-related non-agenda matters that are within the Committee's subject matter jurisdiction.*
- *Limit comments to three minutes or to such other period of time as may be specified by the presiding officer.*



The following activities are prohibited:

- *Allocation of speaker time to another person.*
- *Video presentations requiring use of Authority equipment.*



Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Authority to the Committee less than 72 hours prior to that meeting are available for public inspection at Hollywood Burbank Airport (2627 N. Hollywood Way, Burbank) in the administrative office during normal business hours.



In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the Board Secretary at (818) 840-8840 at least 48 hours prior to the meeting.

AGENDA

Wednesday, December 6, 2023

1. Roll Call
2. Approval of Agenda
3. Public Comment
4. Approval of Minutes

a. October 31, 2023

[See page 1]

5. Items for Approval

- a. Amendment to Airport Use Agreement and
Replacement Airport Use Agreement

[See page 4]

Staff seeks an Executive Committee recommendation to the Commission for the following:

- 1. Approval of the proposed form of an Amendment to Airport Use Agreement ("AUA Amendment").***
- 2. Approval of the proposed form of a replacement Airport Use Agreement ("Replacement AUA"); and***
- 3. Authorization for the Executive Director to execute the AUA Amendment and the Replacement AUA with participating airlines.***

- b. Approval of Task Order 3
Replacement Passenger Terminal Project

[See page 11]

Staff seeks a recommendation from the Executive Committee to the Commission to approve issuance of a proposed Task Order 3 to Holder, Pankow, TEC, A Joint Venture, in the amount of \$19,280,948 to fund the following items related to the construction of the Replacement Passenger Terminal Project.

Component Guaranteed Maximum Price ("CGMP"):

- 1. CGMP - 03: For Phase 2 General Conditions: HPTJV initial personnel cost for the period beginning the first quarter of 2024 through December 31, 2024.***

6. Items for Discussion

a. Commissioner Code of Conduct

[See page 26]

Staff seeks direction from the Executive Committee on a draft Code of Conduct to formally establish policies on appropriate conduct by Commissioners with the media and at Authority meetings.

b. Change to the posting of Information Items

No staff report. This item is being agendaized to provide the Committee with the opportunity to further discuss the change with the posting of monthly recurring information which has been included in the Commission agenda Consent Calendar. The monthly recurring information for discussion are the passenger and cargo, ground transportation and parking revenue statistics .

7. Items for Information

a. Committee Pending Items

[See page 54]

8. Adjournment

**MINUTES OF THE SPECIAL MEETING OF THE
EXECUTIVE COMMITTEE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

TUESDAY, OCTOBER 31, 2023

A special meeting of the Executive Committee was called to order on this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 8:05 a.m., by Commissioner Williams.

1. ROLL CALL

Present:	Commissioners Williams, Najarian and Talamantes
Absent:	None
Also Present:	Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director Authority Counsel: Terence Boga, Esq., Richards, Watson & Gershon Jacobs Project Management Co.; Perry Martin, Senior Program Manager; Mike Duwel, Vice President, Holder Construction, Pre-Construction/Design Director for the RPT Project, HPTJV; Kevin Fauvell, HPTJV (via teleconference); Jeanna Heston, Director, Preconstruction, Holder Construction (via teleconference); Susan F. Gray, Susan F. Gray & Co., Subconsultant to Jacobs Project Management Co.

2. Approval of Agenda

Motion	Commissioner Talamantes moved approval of the agenda; seconded by Commissioner Najarian.
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Motion Approved	The motion was approved (3–0).
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3. Public Comment

There were no public comments.

4. Approval of Minutes

a. October 4, 2023	Commissioner Najarian moved approval of the Committee minutes of the October 4, 2023 meeting, seconded by Commissioner Talamantes. There being no objection, the motion was approved (3–0).
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5. Items for Approval

a. Approval of Task Order No. 2 Replacement Passenger Terminal Project

Staff sought a recommendation from the Executive Committee to the Commission to approve a proposed Task Order No. 2 to the design-builder HPTJV in the amount of \$76,933,511 to fund the following items related to the construction of the Replacement Passenger Terminal Project.

Component Guaranteed Maximum Price (“CGMP”) for two items:

1. CGMP 01: for the Terminal Building Mechanical, Electrical, and Special Systems in the amount of \$3,829,573;
2. CGMP 02: for Civil Site Work in the amount of \$66,803,938;

Authorization to utilize Owner Allowances:

3. Allowance for potential unforeseen environmental hazards or conditions incurred during the civil site work in the amount of \$3,000,000;

Allowance for compliance with new U.S. Department of Labor rules for the calculation of prevailing wages under Davis Bacon in the amount of \$300,000; and,

5. Allowance for permit applications to the City of Burbank Building and Safety Department in the amount of \$3,000,000.

Motion

Commissioner Najarian moved approval; seconded by Commissioned Talamantes.

Motion Approved

There being no objection, the motion was approved (3-0).

6. Items for Information

a. Revised Replacement Passenger Terminal (“RPT”) Project Dashboard

A representative of Jacobs Project Management Co. presented an updated version of the RPT Project Dashboard which incorporates the comments received from the Committee. When approved by the Commission, the proposed dashboard will be linked to the Authority’s elevatebur.com website

b. Art in Public Place Update

Ms. Susan Gray, Art Consultant to Jacobs Project Management Co., updated the Committee on the work of the Art Advisory Committee and the Committee's recommendations of three finalists for each of the designated locations at the Replacement Passenger Terminal.

c. Airport Use Agreement Update

Staff updated the Committee on the discussions with the Airlines regarding the supporting documents for the Replacement Passenger Terminal ("RPT") Project and its role in the financing of the Project. These documents include a Term Sheet which address key points for the RPT Project, the proposed Amendment to the current Airport Use Agreement which continues the current business terms with the Airlines up to the date of opening of the RPT and the proposed replacement Airport Use Agreement which will take effect immediately upon opening of the RPT.

d. Committee Pending Items

The Committee discussed future pending items that will come to the Committee for review.

7. Adjournment

There being no further business, the meeting was adjourned at 8:45 a.m.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
EXECUTIVE COMMITTEE
DECEMBER 6, 2023**

**AMENDMENT TO AIRPORT USE AGREEMENT AND
REPLACEMENT AIRPORT USE AGREEMENT**

Presented by John T. Hatanaka
Senior Deputy Executive Director

SUMMARY

Staff seeks an Executive Committee (“Committee”) recommendation to the Commission for the following:

1. Approval of the proposed form of an Amendment to Airport Use Agreement (“AUA Amendment”), copy attached;
2. Approval of the proposed form of a replacement Airport Use Agreement (“Replacement AUA”), copy attached; and
3. Authorization for the Executive Director to execute the AUA Amendment and the Replacement AUA with participating airlines.

BACKGROUND

Each airline that operates at the Airport executes an Airport Use Agreement (“AUA”) or an Airport Use and Facilities Operating Permit (“Operating Permit”) with the Authority. The AUA or Operating Permit, as applicable, documents the financial and operational arrangement between the airline and the Authority. An AUA is a long-term agreement. In contrast, an Operating Permit has a month-to-month term. An airline that executes an AUA is referred to as a “Signatory Airline.” An airline that executes an Operating Permit is referred to as a “Non-Signatory Airline.”

Airlines pay the Authority rents and fees according to the terms of their AUAs or Operating Permits. While a Non-Signatory Airline has the flexibility to terminate its Operating Permit on short notice (generally 30-days) without penalty, the rents and fees under an Operating Permit are higher than those under an AUA.

The AUAs for all Signatory Airlines are substantially identical. Currently, there are eight Signatory Airlines: Alaska, American, Avelo, Delta, JetBlue, Southwest, Spirit and United. Pursuant to amendments executed in 2022, all of the AUAs have an expiration date of June 30, 2025.

PROPOSED AUA AMENDMENT AND REPLACEMENT AUA

The Replacement Passenger Terminal (“RPT”) project is underway and will advance from the design stage to construction next year. It is anticipated that construction will start during Spring 2024, and the goal is that the RPT will begin operations on October 1, 2026. The existing passenger terminal will be demolished within one year of the RPT opening.

Being presented to the Committee are: (i) a proposed form of the AUA Amendment and (ii) a proposed form of the Replacement AUA. The attached Exhibit A highlights some of the key provisions of the AUA Amendment and the Replacement AUA.

Current Signatory Airlines that seek to execute the Replacement AUA will be required to also execute the AUA Amendment. While the Replacement AUA will become binding upon execution by the airline and the Authority, its provisions will govern the airline's operations at the Airport starting on the date of beneficial occupancy ("DBO") of the RPT. DBO is defined as the date that the airline begins revenue-generating operations at the RPT. Upon executing the AUA Amendment, the existing AUA will remain in effect for the airline until DBO of the RPT.

The Authority is working to procure financing for the primary portion of the RPT project, which is estimated to cost approximately \$1.25 billion. This portion consists of: (i) work on the northeast quadrant of the airport (including construction of the RPT, roadways, parking facilities, apron and service and support facilities); and (ii) the demolition of the existing passenger terminal and parking structure in the southeast quadrant of the Airport. The Authority plans to sell bonds to fund most of this cost. To proceed in a timely manner, the Authority is targeting to issue the bonds during the second quarter of 2024.

To market the bonds, the Authority will request ratings from bond rating agencies. Each rating agency will assign a rating based on its evaluation of the Authority's long-term financial and operational outlook. The ratings will impact potential investors' willingness to buy the bonds and the pricing of the bonds. The Authority's municipal advisor and underwriter have advised that having one or more executed Replacement AUAs will be critical for the rating agencies' review and the bonds' marketability. It is anticipated that the number of Replacement AUAs in place will impact the favorability of the bond ratings and the bond pricing.

The rent and fees payable by a Signatory Airline to the Authority will be determined pursuant to the formulas set forth in the Replacement AUA. The Authority will calculate the rents and fees each fiscal year as part of the annual budgeting process. The key component of such calculation will be the Authority's administrative and operational cost for the various Airport facilities, including the amount necessary to make bond principal and interest payments. Thus, it is also beneficial for the Signatory Airlines to execute the Replacement AUA to help lower the long-term cost associated with the bonds.

NEGOTIATION WITH SIGNATORY AIRLINES

Staff has shared drafts of the AUA Amendment and the Replacement AUA with the Signatory Airlines and has received feedback for a few proposed changes to the Replacement AUA. Staff expects that the final Replacement AUA will be substantially the same as the version being presented to the Committee, but negotiation is on-going as of the preparation of this report. Should the Committee recommend approval of this version of the Replacement AUA, and should the negotiation with the Signatory Airlines result in any material changes, those changes will be highlighted in the staff report to the Commission.

STAFF RECOMMENDATION

Staff recommends that the Committee recommend to the Commission: (1) approval of the proposed form of AUA Amendment, (2) approval of the proposed form of Replacement AUA and (3) authorization for the Executive Director to execute such documents with the participating airlines.

Attachments:

1. Appendix A – AUA Amendment and Replacement AUA Highlights
2. Proposed form of AUA Amendment
3. Proposed form of Replacement AUA

APPENDIX A

AUA Amendment and Replacement AUA Highlights

Certain key provisions of the proposed form of AUA Amendment and proposed form of Replacement AUA are highlighted below. This summary is not meant to be comprehensive or definitive. No airline or any other third party shall use this summary to infer the Authority's intent when interpreting the documents or the existing AUA. Capitalized terms used, but not defined, have the meanings ascribed to them in the proposed Replacement AUA.

AUA Amendment

- Becomes effective only if Airline executes the Replacement AUA
- Extends the term of the existing AUA to Airline's date of beneficial occupancy ("DBO") of the RPT
- Clarifies that, in the interim, the Authority will continue to calculate rent and fees pursuant to the existing AUA, unless adjustments are necessary to: (i) meet requirements relating to bonds, (ii) pay costs incurred for the RPT that cannot be capitalized, or (iii) adjust for any significant Airport activity disruption resulting in revenue decrease

Replacement AUA

- Effective Date, Commencement Date and Term:
 - Becomes effective only if Airline executes the AUA Amendment
 - Expires on June 30, 2035, but may be extended by mutual agreement to June 30, 2040
 - Governs Airline's operation at the Airport commencing on DBO of the RPT
 - May be terminated by the Authority upon Airline's default
 - May be terminated by Airline (if Airline is not then in default), upon specified extraordinary circumstances, such as Airline's inability to operate at the Airport due to a government agency's prohibition
 - Airline must make termination payments if it terminates early
- Defines Signatory Airlines as airlines that have executed an AUA and lease Exclusive Use Space in the RPT
- Establishes the lease of Exclusive Use Space to Airline and the grant of a use license for Common Use Space
- Requires Airline to comply with AIP requirements, Noise Abatement Rules, Airport Rules and Regulations, and applicable laws

- Requires the Authority to furnish a report to Signatory Airlines if the Authority proposes to undertake a new Capital Improvement
- Precludes the Authority from including the Cost of a new Capital Improvement in the Rental and Landing Fees payable by Airline if a Majority-In-Interest of the Signatory Airlines withholds approval, subject to following exceptions:
 - No approval is required if the Cost of the Capital Improvement does not exceed \$1 million
 - The total Cost to be borne by the Authority of Capital Improvements not approved by the Signatory Airlines shall not exceed \$2 million in any Fiscal Year
 - No approval is required for other specified cases, such as a Capital Improvement to comply with governmental requirements or to maintain functional capacity of the Airport at a level required by public health, safety or welfare
- Provides that the Authority shall set aside \$3 million annually (subject to a 3% increase each Fiscal Year) in general purposes account deposits to allow for routine capital expenditures and other expenditures deemed necessary by the Executive Director
- Requires Airline to pay Rental, Common Use Fee and Landing Fee
 - Rental for lease of Exclusive Space
 - Rental will be payable monthly
 - Rental will consist of an RPT component and an Airline Support Facility (“**ASF**”) component
 - RPT component will be calculated based on the square feet of Exclusive Space leased to Airline at the RPT and the Replacement Passenger Terminal Requirement for the Fiscal Year
 - Replacement Passenger Terminal Requirement will be based on multiple factors including: the Authority’s cost that Fiscal Year for the RPT (including maintenance, operating, capital outlay, etc.); bond-related payments allocable to the RPT; expenses of services to be provided by cities of Burbank, Glendale and Pasadena to the RPT (if any); the cost for the Parking and Roadway Cost Center; and deficit from actual RPT operations during the preceding Fiscal Year, but net of Non-Airline Revenue from the RPT for the Fiscal Year
 - ASF component will be calculated based on the square feet of Exclusive Space leased to Airline at the ASF and the Airline Support Facility Requirement for the Fiscal Year

- Airline Support Facility Requirement will be based on the Authority's cost that Fiscal Year for the ASF (including maintenance, operating, capital outlay, etc.) and bond-related payments allocable to the ASF
- Common Use Fee for license to use Common Space
 - Common Use Fee will be payable monthly
 - Common Use Fee will be calculated based on the square feet of Common Use Space and the Replacement Passenger Terminal Requirement, and allocated among Signatory Airlines according to the Common Use Formula using passenger enplanement statistics
- Landing Fee for use of Airport facilities other than Exclusive Space and Common Space
 - Landing Fee will be payable monthly
 - Landing Fee will equal Airline's Total Landed Weight for that month multiplied by the Landing Fee Rate
 - Landing Fee Rate for each Fiscal Year will be based for the Airfield Area Requirement
 - Airfield Area Requirement will be based on multiple factors including: the Authority's cost that Fiscal Year for the Airfield Cost Center (including maintenance, operating, capital outlay, etc.); bond-related payments allocable to the Airfield Cost Center; expenses of services to be provided by cities of Burbank, Glendale and Pasadena to the Airfield Cost Center (if any); and deficiency in any Special Fund of the Authority (including for the accumulation of cash equal to 540 days of the Airport Daily Operating Requirement), but net of Non-Airline Revenue from the Airfield Cost Center and net revenue from the Other Buildings and Area Cost Center for the Fiscal Year
 - Landing Fee may be adjusted each Fiscal Year to fund a cash reserve equal to 540 days (approximately 18 months) of Airport Daily Operating Requirement, to protect against unanticipated periods of revenue interruption (such as the one caused by the recent pandemic)
- Requires Airline security deposit equal to three times the estimated monthly Rental and Landing Fees due during the first full Fiscal Year after commencement
- Prohibits the Authority from entering into any agreement which would grant a Non-Signatory Airline more favorable terms than those given to the Signatory Airlines under the Replacement AUA

- This covenant does not extend to Exclusive Use Space, or any agreement currently in effect or any agreement with a carrier operating only aircraft of less than 30,000 pounds gross weight
- Requires rent and landing fees for Non-Signatory Airlines to be greater of: (i) 135% of the rates payable by the Signatory Airlines; or (ii) \$1.56 per 1,000 pounds
- Requires Airline to maintain specified insurance coverage, such as workers' compensation insurance, comprehensive liability insurance, FAA insurance, property insurance, business interruption insurance
- Clarifies that the Replacement AUA is subject (and subordinate) to Authority agreements with the United States government, Authority bond indentures, liens, mortgages, encumbrances and other security interest affect the Airport

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
EXECUTIVE COMMITTEE
DECEMBER 6, 2023**

**APPROVAL OF TASK ORDER 3
REPLACEMENT PASSENGER TERMINAL PROJECT**

Presented by Patrick Lammerding
Deputy Executive Director, Planning and Development

SUMMARY

Staff seeks a recommendation from the Executive Committee (“Committee”) to the Commission to approve issuance of a proposed Task Order 3 to Holder, Pankow, TEC, A Joint Venture (“HPTJV”), copy attached, in the amount of \$19,280,948 to fund the following items related to the construction of the Replacement Passenger Terminal (“RPT”) Project.

Component Guaranteed Maximum Price (“CGMP”):

1. CGMP - 03: For Phase 2 General Conditions: HPTJV initial personnel cost for the period beginning first quarter of 2024 through December 31, 2024.

BACKGROUND

On December 19, 2022, the Commission awarded HPTJV a design-build agreement for the RPT Project. HPTJV has begun design and preconstruction efforts and has reached several milestones, including the design concept selection by the Commission on April 17, 2023. The design-build agreement includes provisions allowing for the submission of CGMP proposals for incremental elements of the work prior to execution of the final Guaranteed Maximum Price (“GMP”) proposal. Submittal requirements and preparation guidelines for CGMP proposals are addressed in PR-04 of Exhibit H of the design-build agreement.

PROPOSED TASK ORDER

Construction General Conditions (“GC”) costs are defined as costs for labor, materials, supplies, and other incidentals required to manage and oversee construction work. This Task Order request is for authorization of a portion of the GC costs to manage the work performed under CGMP-02 Civil Site Work beginning in January 2024, as well as additional work packages anticipated to be brought to the Commission during the first and second quarters of calendar year 2024. The attached documentation outlines the identified personnel, the utilization of the personnel and a summary of the cost breakdown.

The current procurement plan assumes that the GMP proposal will be submitted to the Authority for consideration in the latter part of the third quarter of FY 2024. Remaining GC costs to support the balance of the project will be included in the GMP proposal.

FUNDING

The adopted FY 2023-2024 budget includes appropriations in the amount of \$123,483,956 for the RPT Project early works and pre-construction packages. These costs are programmed to be initially funded through the Bipartisan Infrastructure Law grants and

commercial paper program pending issuance of the construction financing scheduled for the late spring of 2024.

STAFF RECOMMENDATION

Staff recommends that the Committee recommend to the Commission that it approve issuance of proposed Task Order No. 3 in the amount \$19,280,948 to HPTJV and authorize the Executive Director to execute same.

Attachments:

1. Task Order Request
2. Project description and Additional Documents; CGMP - 03



BURBANK REPLACEMENT
PASSENGER TERMINAL PROJECT
2627 Hollywood Way, Burbank, CA 91505

TASK ORDER REQUEST

Task Order Request No.: 3 Date: 28-Nov-23

Task Order Request Title: BUR RPT GCs Partial Extensions through 2024

TO No.: 3 Project Name BUR RPT Project Phase:

Contractor: Holder, Pankow, TEC - A Joint Venture (HPT) Address: 3300 Riverwood Parkway, Suite 1200

CONTRACT NO: E22-03 - Dated December 19, 2022 Atlanta, GA 30339

Reference Documents: RFI No.: CD No.: CPCN No.:

PCO No.: FD No.: Bulletin: Other: n/a

Scope:

For Phase 2 General Conditions: HPTJV initial personnel cost for the period beginning first quarter of 2024 through December 31, 2024. No design changes are included.

General Scope described herein in the Clarification Section.

Cost:

See Attached

See Attached

Total

\$19,280,948

Total Request

The signatory below certifies that the information in this Task Order Request is a true and accurate representation of the facts or the circumstances and that the requested time and/or compensation is a fair and accurate assessment of the impact to the best of his/her ability to establish at the time of signing.

Design-Builder

Signature

William R. Turpin

Name

Date

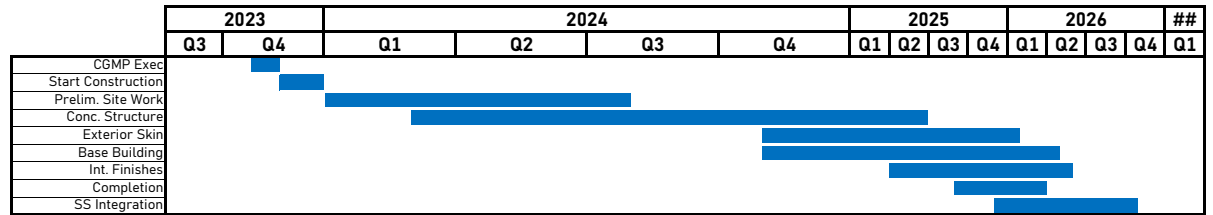
HPT Managing Member

Title

Tab-3: Project Description and Additional Documents

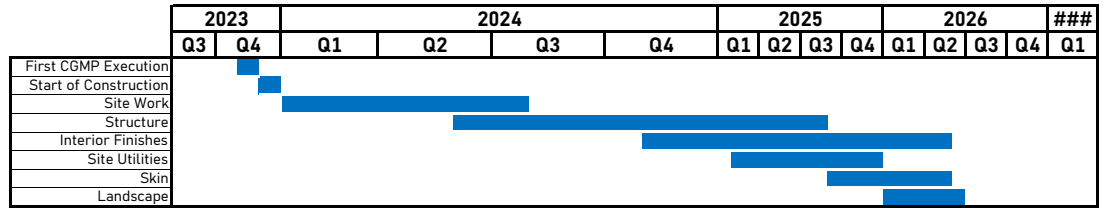
CGMP 03

This Component Guaranteed Maximum Price (CGMP) includes Initial Phase 2 General Conditions Cost for HPT Personnel starting before 04/02/24 and through the end of 2024. No design services are included. A resource loaded schedule for the personnel contemplated is included herein.



Terminal

[illegible]



BUR RPT RESOURCE LOADED SCHEDULE

Garage

Department	Focus	Title	Co.	Name	Loc.	Start	Finish	Dur. (Mos)	%	Effect. Mos	2023		2024				2025				2026				###	Total Hours
											Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
Skin	All	Sr. Field Coord.	Holder	Mariano Marquez	On	01/15/24	06/30/26	12	100%	12			173	173	173	173	173	173	173	173	173	173	173	173	173	1903
Struct/Skin	All	Sr. Engineer	Holder	Jeremy Brenner	On	01/15/24	12/31/25	12	100%	12			173	173	173	173	173	173	173	173	173	173	173	173	173	1903
Overall	All	Manager	Holder	Taylor Preston	On	02/01/24	08/31/26	11	100%	11			173	173	173	173	173	173	173	173	173	173	173	173	173	1903
Quality	Garage/Ancillary	Quality Field Coord.	Pankow		On	02/01/24	07/31/26	11	100%	11			173	173	173	173	173	173	173	173	173	173	173	173	173	1903
Safety	Garage/Ancillary	Safety Coord.	Holder	Christy Running	On	02/05/24	07/31/26	11	100%	11			173	173	173	173	173	173	173	173	173	173	173	173	173	1730
Structure	All	Sr. Superintendent	Pankow		On	04/01/24	12/31/25	9	100%	9			173	173	173	173	173	173	173	173	173	173	173	173	173	1557
MEP	MEP / Systems	Field Coordinator	Holder	Ryan Krell	On	04/01/24	06/30/26	9	100%	9			173	173	173	173	173	173	173	173	173	173	173	173	173	1557
Interiors	All	Ass't Sup't	Holder		On	04/01/24	06/30/26	9	100%	9			173	173	173	173	173	173	173	173	173	173	173	173	173	1557
Int/MEP	All	Engineer	Holder	Bryce Garner	On	04/01/24	08/31/26	9	100%	9			173	173	173	173	173	173	173	173	173	173	173	173	173	1557
Safety	Garage/Ancillary	Sr. Safety Coord.	Holder		On	04/01/24	05/31/26	9	100%	9			173	173	173	173	173	173	173	173	173	173	173	173	173	1557
Struct/Skin	All	Engineer	TEC		On	04/01/24	09/30/26	9	100%	9			173	173	173	173	173	173	173	173	173	173	173	173	173	1557
Structure	All	Field Coordinator	Holder		On	05/01/24	12/31/25	20	100%	20																
Overall	All	Superintendent	Holder	Kevin Zaldivar	On	07/01/24	08/31/26	26	100%	26																
Overall	Garage/Ancillary	Sr. Engineer	Holder	Michael Blyszczek	On	07/01/24	10/31/26	28	100%	28																
Int/MEP	All	Sr. Engineer	Pankow	Marissa Suarez	On	07/01/24	08/31/26	26	100%	26																
Overall	Ancillary	Sr. Engineer	TEC		On	01/01/25	09/30/26	21	100%	21																
Overall	Ancillary	Ass't Sup't	Pankow		On	03/01/25	09/30/26	19	100%	19																
											0	0	0	0	0	0	692	865	1903	1903	1903	1903	1903	1903	1903	18684



	2023		2024				2025				2026				##
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
First C&MP Execution															
Start of Construction															
Site Work															
Hardscape/Landscape															
Airside Apron Civil															
Landside Work															
Ancillary Buildings															

BUR RPT RESOURCE LOADED SCHEDULE

Civil											2023		2024								2025				2026				##	Total Hours	
Department	Focus	Title	Co.	Name	Loc.	Start	Finish	Dur. (Mos)	%	Effect. Mos	Q3	Q4	Q1		Q2		Q3		Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		
Civil	Enabl./Landside	Field Coordinator	Holder	Tyler Hansen	On	09/25/23	10/31/26	15	100%	15		173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	2595	
Civil	Airside	Sr. Field Coord.	Holder	Keith Christie	On	12/01/23	05/31/26	13	100%	13			173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	2249	
Civil	Enabl./Landside	Engineer	Holder	Jerad Lehman	On	12/01/23	10/31/26	13	100%	13			173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	2249	
Civil	Enabl./Landside	Sr. Engineer	Holder	Eduardo Gonzalez	On	12/11/23	10/31/26	13	100%	13				173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	2076	
Civil	Enabl./Landside	Sr. Field Coord.	Holder	Walter Elias	On	12/11/23	10/31/26	13	100%	13				173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	2076	
Civil	All	Sr. Manager	Pankow	Erik Johnson	On	01/01/24	10/31/26	12	100%	12				173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	2076	
Civil	Enabl./Landside	Engineer	TEC		On	01/01/24	10/31/26	12	100%	12				173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	2076	
Safety	Enabl./Landside	Sr. Safety Coord.	Holder	Rose Yao	On	01/01/24	07/31/26	12	100%	12				173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	2076	
Civil	Enabl./Landside	Ass't Sup't	Holder	Raymond Riddle	On	01/22/24	10/31/26	11	100%	11				173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	1903	
Quality	Enabl./Landside	Quality Field Coord.	Holder	Abdullah Aldawood	On	01/25/24	10/31/26	11	100%	11				173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	1903	
Civil	All	Manager	Holder	Mindy DeCarolis	Off	04/01/24	09/30/26	9	33%	3					57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	514	
Civil	Enabl./Landside	Ass't Sup't	Holder	John Pak	On	04/01/24	10/31/26	9	100%	9				173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	173	1557	
Civil	Airside	Sr. Engineer	Holder		On	05/01/24	10/31/26	30	100%	30																					
Civil	Airside	Engineer	Pankow		On	05/01/24	10/31/26	30	100%	30																					
Civil	Airside	Superintendent	Holder		On	06/01/24	05/31/26	24	100%	24																					
Quality	Airside	Quality SFC	TEC		On	06/01/24	10/31/26	29	100%	29																					
Safety	Airside	Safety Coord.	TEC		On	06/01/24	05/31/26	24	100%	24																					
											#	#	173	173	519	1384	1730	1730	1960	1960	1960	1960	1960	1960	1960	1960	1960	1960	1960	1960	23350



	2023		2024				2025				2026				##
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
First C&MP Execution															
Start of Construction															
Civil															
Terminal															
Parking Garage															
Existing Facility Demo															

BUR RPT RESOURCE LOADED SCHEDULE

Leadership & CTS

Department	Focus	Title	Co.	Name	Loc.	Dur. (Mos)	%	Effect. Mos	2023		2024				2025				2026				##	Hrs
									Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
VDC	4D/5D	Sr. Engineer	Holder		Off	17	50%	9	87	87	87	87	87	87	87	87	87	87	87	87	87	87	87	1471
Offsite	All	Offsite Depts	Holder	Offsite Support	Off	15	200%	30																5190
Leadership	All	Sr. Manager	Holder	Bob Bachtler	On	14	100%	14																2422
Safety	All	Safety Director	Holder	Troy Schofield	On	14	100%	14																2249
Quality	All	Quality Sup't	Holder	Frank Michaels	On	13	100%	13																2249
Leadership	All	Sr. Superintendent	Holder	Sebastiano Cardella	On	12	100%	12																2076
Design Mgt	All	Coordinator	Holder	Johanna Mathew	Off	12	100%	12																2076
Quality	All	Manager	Holder		On	12	100%	12																2076
Safety	All	Sr. Director	Holder	Angel Medina	Off	12	33%	4																685
Scheduling	All but Terminal	Scheduler	Holder		On	12	100%	12																2076
Scheduling	Terminal	Scheduler	Holder	Gabriel Watson	On	12	100%	12																2076
VDC	Onsite Lead	Sr. Engineer	Holder	Connor Livingston	On	12	100%	12																2076
Accounting	All but Terminal	F.O.P.	Pankow		On	11	100%	11																1903
Accounting	Terminal	F.O.P.	Holder		On	11	100%	11																1903
Change Mgt	All	Sr. Engineer	Pankow		On	11	100%	11																1903
Office	All	Front Desk	Pankow		On	11	100%	11																1903
Office	All	Project Assistant	TEC		On	11	100%	11																1903
VDC	Garage/Ancillary	Engineer	Holder		Off	11	50%	6																952
VDC	Offsite Coord.	Sr. Engineer	Holder		Off	11	25%	3																476
VDC	Terminal	Engineer	Holder		On	11	100%	11																1903
Leadership	All	EIC	Holder	Doug Clough	Off	9	10%	1																156
Leadership	All	Project Director	Holder	Kevin Fauvell	Off	9	66%	6																1028
Leadership	All	Sr. General Sup't	Holder	Fred Groome	Off	9	50%	5																779
Controls	All	Manager	Holder	Patrick Hardy	On	9	100%	9																1557
Accounting	All	Sr. Acc't Mgr	Holder	Sanford Graham	Off	9	45%	4																701
Accounting	All	Field Office Coord.	Holder	Dana Rabe	On	9	100%	9																1557
Change Mgt	All	Engineer	Holder		On	9	100%	9																1557
Office	Doc. Control	Admin. Ass't	Holder		On	9	100%	9																1557
Outreach	Outreach/Compl.	Outreach Mgr	PDA		Off	9	50%	5																779
Outreach	Outreach/Compl.	Outreach Coord.	PDA		On	9	100%	9																1557
Outreach	Outreach/Compl.	Outreach P.A.	PDA		Off	9	50%	5																779
Scheduling	All	Sch. Manager	W&S	Mike Woodward	Off	9	20%	2																311
VDC	All	Manager	Holder	Rachel Smith	Off	9	33%	3																514
VDC	Civil/Logistics	Engineer	Holder		On	9	100%	9																1557
VDC	Terminal/Backfill	Engineer	Holder		Off	9	50%	5																779
Overall	All	Interns	All	6 ea. Summer	On	72	100%	72																
Design Mgt	Terminal	Manager	Holder	Janie Mills	Off	6	33%	2																
ORAT	Liaison	Manager	Holder		On	16	100%	16																54733

Tab-4: CGMP Price Summary

CGMP 03 Price Summary	CGMP 03 Values
General Conditions / Preconstruction Services	\$17,972,924
Misc. Insurances	\$656,012
Design-Builder Fee	\$652,013
TOTAL – CGMP 03 (b)	\$19,280,948
CGMP 03 Budget (a)	\$19,280,948
<i>Over / Under Budget (b-a)</i>	<i>\$0</i>

BUR Replacement Passenger Terminal Project
CGMP 3 Estimate r1

11/28/23

#	Description	Qty.	UM	Unit Price	Tax?	Extension	Comments
001	GC / Precon Salaries	1	ls	\$16,115,013	n	\$16,115,013	
002	Company / project travel	14	mo	\$30,000	n	\$420,000	
003	Relocation expenses	15	ea	\$20,000	n	\$300,000	
004	Hardware / Software / iPad - Standard	770	mo	\$565	y	\$479,643	
005	Hardware / Software - VDC / Scheduling - adder	80	mo	\$512	y	\$45,158	
006	Primavera P6 - monthly	27	mo	\$1,120	y	\$33,340	3 licences w/ cloud hosting
007	Primavera P6 - service	9	mo	\$350	y	\$3,473	2 hr / mo
008	Primavera P6 - Set Up	1	ea	\$1,650	y	\$1,819	
009	Allucent scheduling suite	14	mo	\$5,889	y	\$90,897	
010	Hammertech software	14	mo	\$1,400	y	\$21,609	safety observations
011	LCPTTracker	14	mo	\$1,688	y	\$26,047	certified payroll tracking / reporting
012	Office Supplies	770	mo	\$100	n	\$77,000	
013	Team meetings / lunches	14	mo	\$4,000	n	\$56,000	
014	Document Control	14	mo	\$7,500	n	\$105,000	Barker Blue
015	Substance Abuse Testing	14	mo	\$350	n	\$4,900	new hires etc.
016	Training / Credentialling	14	mo	\$750	n	\$10,500	
017	Pool Vehicles	2	ea	\$45,000	y	\$99,225	purchase
018	Pool Vehicles - maintenance / gas	28	mo	\$1,000	n	\$28,000	
019	Safety Equipment	770	mo	\$50	n	\$38,500	HPT office personnel
020	First Aid	14	mo	\$250	n	\$3,500	HPT office personnel
021	Postage / Expressage	14	mo	\$500	n	\$7,000	
022	Courier	14	mo	\$350	n	\$4,900	
023	Off-Site Data Storage	0	ls	\$0	n	\$0	future CGMP
024	Unifier Access	0	ea	\$0	n	\$0	excluded / n/a
025	Temporary Parking	14	mo	\$100	n	\$1,400	
026	SUBTOTAL					\$17,972,924	
027	Professional Liability Insurance					\$44,932	0.25%
028	Project Insurance					\$161,756	0.90%
029	Contractor Controlled Insurance Program (CCIP)					\$449,323	2.50%
030	Builder's Risk Insurance					\$0	in COW CGMPs
031	Subcontractor's Default Insurance (SDI)					\$0	1.25% (n/a this pkg)
032	Payment & Performance Bond					\$0	0.78% (n/a this pkg)
033	Fee (not calculated on Design Services)					\$652,013	3.50%
034	D-B Contingency					\$0	n/a initial CGMP 3
035	GRAND TOTAL					\$19,280,948	

HOLLYWOOD BURBANK AIRPORT RPT

GC / Cost of Work Differentiation Matrix

11/28/23

#	DESCRIPTION	D-B Fee	Precon/ GCs	PMO	Cost of Work (CRs / Trades)	By Others
1	PROFESSIONAL SERVICES					
2	Design / EOR		X			
3	Enclosure Consultant		X			
4	MEP Peer Review		X			
5	Structural Peer Review		X			
6	Independent Cx					
7	Engineering for Temp Structures					
8	SWPPP Design		X			
9	Community Outreach Events (preconstruction)		X			
10	Community Outreach Events (during construction)					
11	Public Relations & Communications (precon / procurement)		X			
12	Publications/Advertising (procurement)		X			
13	Partnering Session Costs					
14	Registered Survey (Establish Control, Offsets, Project Controls)		X			
15	Special Inspections					
16	QC Support					
17	Project layout / control					
18	MANAGEMENT PERSONNEL - PER RESOURCE LOADED STAFFING					
19	Departments					
20	- Preconstruction / Estimating / Purchasing		X			
21	- Planning & Design Support		X			
22	- Operations		X			
23	- Controls		X			
24	- Safety		X			
25	- Quality		X			
26	- MEP		X			
27	- Scheduling		X			
28	- VDC		X			
29	- IT		X			
30	- Accounting / Administrative		X			
31	- Document Control		X			
32	- Outreach / DBE / Community Affairs		X			
33	- Warranty Management		X			
34	- CCIP		X			
35	Positions					
36	- Principals-In-Charge		X			
37	- Director		X			
38	- Manager		X			
39	- Ass't Project Manager		X			
40	- Engineer		X			
41	- Superintendent		X			
42	- Field Coordinator		X			
43	- Coordinator		X			
44	- Accountant		X			
45	- Field Office Processor		X			
46	- Admin. Assistant		X			

HOLLYWOOD BURBANK AIRPORT RPT

GC / Cost of Work Differentiation Matrix

11/28/23

#	DESCRIPTION	D-B Fee	Precon/ GCs	PMO	Cost of Work (CRs / Trades)	By Others
47	Relocation / Travel / Meals					
48	- Relocation		X			
49	- Subsistence / Temporary Living		X			
50	- Travel Expenses - to/from project		X			
51	- Travel Expenses - Local/project related		X			
52	- Parking - staff / visitors		X			
53	- Parking - Remote Lot Lease and/or Maintenance					
54	- Shuttles / Craft Worker Transportation					
55	- Pool Vehicles (Management Team Use)		X			
56	- Project related meals/meeting catering		X			
57	- Project celebrations (topping out, milestones, etc.)					
58	Miscellaneous					
59	- Software / Hardware / PC		X			
60	- Cell phones / iPads / Cellular Service (mgmt)		X			
61	- Company Auto / Auto Allowance (per company policy)		X			
62	- Substance Abuse Testing (Mgmt)		X			
63	- Safety Equipment / PPE (Mgmt)		X			
64	- Legal (Basic Services/If Approved)					
65	- Legal (Disputes with Owner)					
66	- Contract indemnity cost					
67	- Unifier Access Cost					
68	- Drinks / water / ice (mgmt)		X			
69	- Recruiting Fees					
70	- Substance abuse screening (mgmt)		X			
71	- Employee orientation (mgmt)		X			
72	- Airport badging (mgmt)		X			
73	- As built / record drawings		X			
74	- O&M Manuals		X			
75	- Document retention/archiving/disposal		X			
76	- Warranty reserve					
77	Management Personnel Cost		X			
78	- Base Salaries		X			
79	- Escalation (promotions, annual review, etc.)		X			
80	- Fringe Benefits		X			
81	- Payroll Taxes		X			
82	PERMITS / FEES / LICENCING					
83	Site/Building Permit & Plan Check Fees					
84	MEP Permits					
85	LEED Certification Fees					
86	Sidewalk and Street Closure Fees					
87	Street Parking Closure Fees					
88	Impact / Development Fees					
89	Tap Fees					
90	GC / business licensing					
91	CONSTRUCTION SERVICES					
92	Aerial photos					

HOLLYWOOD BURBANK AIRPORT RPT

GC / Cost of Work Differentiation Matrix

11/28/23

#	DESCRIPTION	D-B Fee	Precon/ GCs	PMO	Cost of Work (CRs / Trades)	By Others
93	3rd party photo Documentation services					
94	Webcams					
95	Existing conditions survey					
96	Craft Worker / Site Access Badging / Count System					
97	PMO / TEMP. FIELD OFFICES					
98	Landline / telephone / internet / wifi					
99	Copiers / Plotters - including supplies / maintenance					
100	Small format Printer(s)		x			
101	Office Supplies		x			
102	Printing Charges - External		x			
103	Postage/Overnight/Delivery/Courier		x			
104	Construction field offices / PMO - Maintenance, Ongoing Facility Costs, Security Systems, and other operating expenses					
105	Field office furnishings / fixtures / equipment					
106	Field office phone system / internet / wifi					
107	I.T. & audio-visual systems					
108	Daily Cleanup - PMO / Field Offices					
109	TEMPORARY FACILITIES					
110	Gate Guards					
111	Site Control / Security Shacks					
112	Temporary site fence / privacy screens					
113	Storage Trailers / Conex					
114	Lockup areas					
115	Temporary staging/roads/laydown (setup/remove)					
116	Temporary Toilets / Restrooms					
117	Temporary stairs / scaffolding / platforms					
118	Trash Chutes / hoppers					
119	Temporary rainwater management					
120	Temporary roofing / protection					
121	Temporary doors / hardware					
122	Project Signage / Bulletins / Postings					
123	Temporary enclosures / partitions / protection / dry-in - stairs, walls, floors, doors, etc.					
124	Dewatering					
125	Drinks / water / ice - field personnel					
126	SWPPP implementation / inspection / maintenance					
127	Warehousing stored materials (off-site)					
128	Exterior Laydown Storage - external / internal					
129	Mock-ups					
130	Security Guards (3rd party)					
131	Security escorts (3rd party)					
132	Police detail					
133	Fire Watch					
134	General Flagging/Site Control					
135	Temp. Barriers					
136	Field labor (HPT hourly personnel) & associated burden					

HOLLYWOOD BURBANK AIRPORT RPT

GC / Cost of Work Differentiation Matrix

11/28/23

#	DESCRIPTION	D-B Fee	Precon/ GCs	PMO	Cost of Work (CRs / Trades)	By Others
137	clean-up					
138	safety / security					
139	security					
140	field support					
141	fire watch					
142	equipment operation					
143	elevator operator					
144	dockmaster / storage / yard manager					
145	Airport badging (field labor)					
146	CONSTRUCTION UTILITIES					
147	Field Office utilities - Electrical Hookups					
148	Field Office plumbing hook-up / tank pump out					
149	Temp. Power/Water/Gas Utilities - set-up / maintenance / consumption / removal (project / site / field office related)					
150	Construction Water Meter & DDCV					
151	Field wifi / technology / connectivity					
152	Field water service / hand-washing / misters					
153	Field labor - ice / cups / water					
154	HEATING / VENTILATION / SYSTEMS					
155	Maintenance Agreements - during construction					
156	Maintenance Agreement - post turnover					
157	Labor, Material, Equipment, consumption, & fuel for temporary heating / cooling / humidification / de- humidification /lighting					
158	Labor, Material, Equipment, consumption, & fuel for temporary use of permanent heating / cooling / humidification / de-humidification /lighting					
159	Temp. fire protection					
160	Test and Balance Services					
161	CONSTRUCTION EQUIPMENT					
162	Equipment rental / repair / maintenance / fuel					
163	Small tools					
164	Equipment operators					
165	Temp elevator operator					
166	HOISTING					
167	Crane / Hoists / Material Movement Equipment - lease, purchase, maintenance, fuel, power					
168	Temporary Elevators / Buck Hoists					
169	Elevator / Hoist / material movement operators					
170	Elevator Temp. Service Costs (during construction)					
171	Landing Platforms					
172	SAFETY					
173	Safety Equipment / PPE - field labor					
174	Safety orientation trailer					
175	First aid					
176	Defibrillators (AED)					

HOLLYWOOD BURBANK AIRPORT RPT

GC / Cost of Work Differentiation Matrix

11/28/23

#	DESCRIPTION	D-B Fee	Precon/ GCs	PMO	Cost of Work (CRs / Trades)	By Others
177	Safety Program, Incentives, Awards & recognitions events					
178	Temp Stair Handrails / Guardrails / toeboards					
179	Temp Safety Rails / Barricades					
180	Safety nets					
181	Shaft / hole / opening & covers					
182	Covered walkways					
183	Street / Sidewalk Barricades					
184	Project Radios / Repeater System					
185	Quality Program, Incentives, Awards & recognitions events					
186	CLEAN-UP					
187	Daily Cleanup - Site					
188	Dumpsters / recycling / removal					
189	Winter conditions / snow removal					
190	Dust control / street cleaning					
191	Street restoration					
192	Window washing					
193	Final Clean					
194	INSURANCE					
195	Builder's Risk					
196	Design-Builder's Payment & Performance Bond Cost					
197	Property Insurance (PMO)					
198	Design-Builder's Project Insurance - 0.9% of CGMP / Task Order Values		x			
199	- Professional Liability		x			
200	- Auto		x			
201	- Worker's Compensation (Off-Site)		x			
202	- Employer's Liability (Off-Site)		x			
203	- Project GL / Excess (Off-Site)		x			
204	- Pollution / Protective		x			
205	- Equipment Floater		x			
206	Design-Builder's Professional Liability (PL) - 0.25% of CGMP / Task Order Values		x			
207	Contractor's Controlled Insurance Program (CCIP) [On-site Only] - 2.5% of CGMP / Task Order values		x			
208	- Worker's Compensation		x			
209	- Employer's Liability		x			
210	- Project GL / Excess		x			
211	Subcontractor Default Insurance (SDI) - 1.25% of enrolled trade contractors					
212	FICA / FUTA / SUTA (GCs)		x			
213	FICA / FUTA / SUTA (Labor)					

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
EXECUTIVE COMMITTEE
DECEMBER 6, 2023**

CODE OF CONDUCT

Presented by Terence Boga
Authority General Counsel

SUMMARY

Staff seeks direction from the Executive Committee ("Committee") on a draft Code of Conduct to formally establish policies on appropriate conduct by Commissioners with the media and at Authority meetings.

BACKGROUND

At the October 31, 2023 Committee meeting, President Williams requested that staff agendaize a Code of Conduct item for the Committee to address media communications by Commissioners. Commissioner Talamantes supported the request and asked that the item also address Commissioner behavior at Authority meetings.

The General Counsel's office researched codes of conduct adopted by other agencies. Attached to this staff report are sample codes of conduct or other similar policies by the Authority's member cities: (i) Burbank's "City Council Expectations of Board, Commission, and Committee Members" (from the city's Boards, Commissions, and Committees Handbook); (ii) Glendale's "Code of Conduct for Councilmembers and Members of Boards and Commissions"; and (iii) Pasadena's "Code of Conduct/Ethics" and "Media Policy" (from the city's Manual of Personnel & Administrative Rules).

Pasadena and Glendale both have policies on communications with the media. All three cities have policies on personal conduct.

PROPOSED CODE OF CONDUCT

As a starting point for the Committee's consideration, the General Counsel's office has drafted the attached Code of Conduct. The draft contains two sections: (i) a media policy; and (ii) a policy on conduct at Authority meetings.

The proposed media policy requires all Commissioner communications with the media regarding the Authority or the Airport be through the President. The media policy also includes a provision that requires the President to make every effort to ensure that all information provided to the media is accurate and meets media deadlines. Finally, the media policy requires that the following staff be informed promptly of inquiries from the media related to the Authority or the Airport: Executive Director, Senior Deputy Executive Director, and Director, Communications and Air Service.

The section of the draft Code of Conduct regarding Commissioner conduct at Authority meetings contains seven behavioral standards. These standards are based on the personal conduct policies in the samples from the member cities.

STAFF RECOMMENDATION

Staff recommends that the Committee provide direction regarding the draft Code of Conduct.

Attachments:

Exhibit A: Draft Code of Conduct

Exhibit B: Burbank's "City Council Expectations of Board, Commission, and Committee Members"

Exhibit C: Glendale's "Code of Conduct for Councilmembers and Members of Boards and Commissions"

Exhibit D: Pasadena's "Code of Conduct/Ethics" and "Media Policy"

Exhibit A

Draft Code of Conduct



**Hollywood
Burbank
Airport**

DRAFT CODE OF CONDUCT

Date: _____

The Burbank-Glendale-Pasadena Airport Authority (“Authority”) responds to inquiries from the media and disseminates information to the public to keep the public informed on various topics of interest related to the Hollywood Burbank Airport (“Airport”). The purpose of this Code of Conduct is to: (1) improve media relations, protect and enhance the public’s perception of the Authority, and ensure that the Authority provides accurate and appropriate information to the media; and (2) ensure that Authority Commissioners conduct themselves publicly in a manner that will instill public confidence and trust in the fair operation and integrity of the Authority.

A. MEDIA POLICY

The following rules apply to Commissioners communicating with the news media on any matter related to the Authority or the Airport:

1. Spokesperson. All Commissioner communications with the media regarding the Authority or the Airport will be through the President. Inquiries from the news media should be responded to by the President in a timely manner to the extent possible. The President should make every effort to ensure that all information provided to the media is accurate and meets media deadlines.
2. Staff Notification. Commissioners shall promptly notify the following staff of media inquiries regarding the Authority or the Airport: the Executive Director; Senior Deputy Executive Director; and Director, Communications and Air Service.

B. CONDUCT AT PUBLIC MEETINGS

The following rules apply to Commissioners during public meetings of the Commission or its standing committees. At these meetings, Commissioners must:

1. Refrain from making comments that may be viewed as divisive, unnecessary, or inappropriate.
2. Act with respect and integrity.
3. Be fair and impartial with all decision making.
4. Provide all Commissioners with an opportunity to state their opinion or position on an agenda item.
5. Practice civility and decorum in all discussions.
6. Demonstrate effective problem-solving approaches.
7. Make the public feel welcome.

Exhibit B

City of Burbank's "City Council Expectations of Board, Commission, and Committee Members"

CITY COUNCIL EXPECTATIONS OF BOARD, COMMISSION, AND COMMITTEE MEMBERS

- Personal agendas must be set aside, and decisions must be made in the best interest of the Burbank community.
- Go "through the chair" to facilitate orderly discussion. Give all members an opportunity to state their opinion or position and encourage healthy deliberation and openness to consider all ideas.
- Work together efficiently, even when disagreements arise on an issue. Demonstrate respect, friendliness, and remain polite to effectively make decisions.
- Refrain from making comments that may be seen as divisive, unnecessary, or inappropriate.
- Avoid lengthy conversations on an agenda item once it has been voted on. If necessary, briefly articulate the reasoning behind your vote.
- Form connections with fellow members before, during and after meetings, but be sure to do so in a manner not in violation of California's open meeting law, the Brown Act.
- Members will conduct themselves within the confines of the law, including the Brown Act and Political Reform Act, to ensure transparency and accountability to members of the public.
- Unanimous votes are not necessary. It is encouraged to express your personal opinions or positions.
- Share any relevant information and documents received from the public with designated City staff as soon as possible so it can be properly distributed to all members.
- Members shall disclose any bias, conflicts of interest or potential conflicts of interest, and must recuse themselves from participating in any matter that could significantly impact (positively or negatively) their personal interests.

- Requests that are consistent with the duties, scope or agenda of the Board, Commission or Committee shall be made to the appropriate staff or staff liaison at a relevant period during the meeting. Members will not otherwise direct work to other department staff members.
- Members will listen, ask thoughtful questions, and treat the staff delivering a report or presentation with respect and courtesy, regardless of personal opinions or opposition to a recommendation.
- Speak only for yourself, not for other members, especially if approached by the media. Best practice is to direct any media inquiries to the Board, Commission or Committee's staff liaison.
- Members shall be responsible for conducting themselves in a professional manner that best represents the City when in attendance of events or gatherings outside of regular meetings.

COUNCIL EXPECTATIONS OF CITY STAFF:

- Reports and presentations on agenda items will provide an objective analysis on the issue and will not favor a particular point of view. Alternatives and options on item actions should be presented.
- Staff will remain impartial and strive to maintain cooperative and supportive relationships with all members, regardless of any differences in opinion that may exist or arise.
- Staff will take requests from the Board, Commission or Committee as a body, and not from individual members, if such request is relevant to the duties, scope or agenda of the Board, Commission or Committee.
- Staff will work with the Board, Commission or Committee to obtain a vote on advisory matters being presented to the City Council.

City Council Approved: 12/13/22

Exhibit C

City of Glendale's "Code of Conduct for Councilmembers and Members of Boards and Commissions"

CITY OF GLENDALE

CODE OF CONDUCT

FOR COUNCILMEMBERS AND

MEMBERS OF BOARDS AND COMMISSIONS

Policy Purpose

The Glendale City Council adopts this Code of Conduct to assure that all elected and appointed officials, while exercising their office, conduct themselves in a manner that will instill public confidence and trust in the fair operation and integrity of Glendale's City government. This policy shall apply to "City Officials" or "Members" – which shall mean the members of the city Council and members of the Boards and Commissions as set forth in the City Charter, Title 2 of the Glendale Municipal Code, 1995, or any other board, commission or committee where the members are appointed by the City Council.

GUIDING PRINCIPLES

The residents and businesses of Glendale are entitled to have fair, ethical and accountable local government. To this end, the public shall have full confidence that City Officials:

- Comply with both the letter and spirit of the laws and policies affecting the operations of government;
- Are independent, impartial and fair in their judgment and actions;
- Use their public office for the public good, not for personal gain; and
- Conduct public deliberations and processes openly, unless required by law to be confidential, in an atmosphere of respect and civility.

Therefore, Members shall conduct themselves in accordance with the following ethical standards:

1. **Act in the Public Interest.** Recognizing that stewardship of the public interest shall be their primary concern, Members will work for the common good of the people of Glendale and not for any private or personal interest, and they will assure fair and equal treatment of all persons, claims and transactions coming before them.
2. **Comply with both the spirit and the letter of the Law and City Policy.** City Officials shall comply with the laws of the nation, the State of California and the City of Glendale in the performance of their public duties.
3. **Conduct of Members.** The professional and personal conduct of City Officials while exercising their office shall be above reproach and avoid even the appearance of impropriety. City Officials shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of the City Council, Boards or Commissions, the staff or the public.
4. **Respect for Process.** Members shall perform their duties in accordance with the processes and rules of order established by the City and the City Council.
5. **Conduct at Public Meetings.** Members shall prepare themselves for public issues; listen courteously and attentively to all public discussions before the body; and focus

on the business at hand.

6. **Decisions Based on Merit.** Members shall base their decisions on the merits and substance of the matter at hand, rather than on unrelated considerations. When making adjudicative decisions (those decisions where the member is called upon to determine and apply facts peculiar to an individual case), members shall maintain an open mind until the conclusion of the hearing on the matter and shall base their decisions on the facts presented at the hearing and the law.
7. **Communication.** For adjudicative matters pending before the body, written communication provided to the City Council shall be retained in accordance with the City's document retention schedule and shall be open to inspection and/or copying in accordance with the California Public Records Act.
8. **Conflict of Interest.** In order to assure their independence and impartiality on behalf of the common good and compliance with conflict of interest laws, members shall use their best efforts to refrain from creating an appearance of impropriety in their actions and decisions. Members shall not use their official positions to influence government decisions in which they have (a) a material financial interest as set forth in the Political Reform Act and applicable regulations promulgated by the Fair Political Practices Commission, or (b) actual bias that would result in the denial of procedural due process.

In accordance with the law, members shall disclose investments, interests in real property, sources of income, and gifts; and if they have an impermissible conflict of interest regarding a particular decision, shall not, once the conflict is ascertained, participate in the decision and shall not discuss or comment on the matter in any way to any person including other members unless otherwise permitted by law.
9. **Gifts and Favors.** Members shall not take any special advantage of services or opportunities for personal gain, by virtue of their public office that is not available to the public in general. They shall refrain from accepting any gifts, favors or promises of future benefits which might compromise their independence of judgment or action or give the appearance of being compromised. Disqualification of a member from participating in a government decision based on the acceptance of a gift shall be determined in accordance with legal requirements of the Political Reform Act, applicable regulations and case law.
10. **Confidential Information.** Members shall maintain the confidentiality of all written materials and verbal information provided to members which is confidential or privileged. Members shall neither disclose confidential information without proper legal authorization, nor use such information to advance their personal, financial or other private interests.
11. **Use of Public Resources.** Members shall not use public resources which are not available to the public in general (e.g., City staff time, equipment, supplies or facilities)

for private gain or for personal purposes not otherwise authorized by law.

12. **Representation of Private Interests.** In keeping with their role as stewards of the public interest, members of Council shall not appear on behalf of the private interests of third parties before the Council, any Board or Commission, or any proceeding of the City, nor shall members of Boards, Committees and Commissions appear before their own bodies or before the Council on behalf of the private interests of third parties on matters related to the areas of service of their bodies.
13. **Advocacy.** Members shall represent the official policies or positions of the City Council, Board or Commission to the best of their ability when designated as delegates for this purpose. When presenting their individual opinions and positions, Members shall explicitly state they do not represent their body or the City of Glendale, nor will they allow the inference that they do. Councilmembers and Board and Commission Members have the right to endorse candidates for all Council seats or other elected offices. It is inappropriate to mention or display endorsements during Council meetings, or Board, Committee and Commission meetings, or other official City meetings.
14. **Policy Role of Members.** Members shall respect and adhere to the council-manager structure of Glendale City government as outlined in the City Charter and Glendale Municipal Code. In this structure, the City Council determines the policies of the City with the advice, information and analysis provided by City staff, Boards and Commissions, and the public. Except as provided by the Glendale Municipal Code, members shall not interfere with the administrative functions of the City or the professional duties of City staff; nor shall they impair the ability of staff to implement Council policy decisions.
15. **Independence of Boards, Committees and Commissions.** Because of the value of the independent advice of Boards and Commissions to the public decision-making process, members of Council shall refrain from using their position to unduly influence the deliberations or outcomes of Board or Commission proceedings.
16. **Positive Work Place Environment.** Members shall support the maintenance of a positive and constructive work place environment for City employees and for citizens and businesses dealing with the City. Members shall recognize their special role in dealings with City employees to in no way create the perception of inappropriate direction to staff.

B. CONDUCT RULES

The Conduct Rules are designed to describe the manner in which City Officials personally conduct themselves, treat one another, City staff, constituents, and others they come into contact with while representing the City of Glendale.

1. Elected and Appointed Officials' Conduct with Each Other in Public Meetings

Elected and appointed officials are individuals with a wide variety of backgrounds, personalities, values, opinions, and goals. Despite this diversity, all have chosen to serve in public office in order to preserve, protect and enhance the community. In all cases, this common goal shall be acknowledged even though individuals may not agree on every issue.

(a) Honor the role of the chair in maintaining order

It is the responsibility of the chair to keep the comments of members on track during public meetings. Members shall honor efforts by the chair to focus discussion on current agenda items. If there is disagreement about the agenda or the chair's actions, those objections shall be voiced politely and with reason, following procedures outlined in parliamentary procedure.

(b) Practice civility and decorum in discussions and debate

Difficult questions, tough challenges to a particular point of view, and criticism of ideas and information are legitimate elements of debate by a free democracy in action. Free debate does not require nor justify, however, public officials to make belligerent, personal, impertinent, slanderous, threatening, abusive, or disparaging comments.

(c) Avoid personal comments that could offend other members

If a member is personally offended by the remarks of another member, the offended member shall make notes of the actual words used and call for a "point of personal privilege" that challenges the other member to justify or apologize for the language used. The chair will maintain control of this discussion.

(d) Demonstrate effective problem-solving approaches

Members have a public stage and have the responsibility to show how individuals with disparate points of view can find common ground and seek a compromise that benefits the community as a whole.

2. Elected and Appointed Officials' Conduct with the Public in Public Meetings

Making the public feel welcome is an important part of the democratic process. No signs of partiality, prejudice or disrespect shall be evident on the part of individual members toward an individual participating in a public forum. Every effort shall be made to be fair and impartial in listening to public testimony.

(a) Be welcoming to speakers and treat them with care and gentleness.

While questions of clarification may be asked, the official's primary role during public testimony is to listen. *Be fair and equitable in allocating public hearing time to individual speakers.*

The chair will determine limits on speakers at the start of the public hearing process, if different than standard time limits.

(b) Practice active listening

It is disconcerting to speakers to have members not look at them when they are speaking. It is fine to look down at documents or to make notes, but reading for a long period of time or gazing around the room gives the appearance of disinterest. Also, members shall strive to refrain from excessive use of mobile phones or tablets when being addressed by members of the public.

(c) Members shall try to be conscious of facial expressions, and avoid those that could be interpreted as "smirking," disbelief, anger or boredom. Maintain an open mind

Members of the public deserve an opportunity to influence the thinking of elected and appointed officials.

(d) Ask for clarification, but avoid debate and argument with the public

Only the chair – not individual members – should interrupt a speaker during a presentation. However, a member can ask the chair for a point of order if the speaker is off the topic or exhibiting behavior or language the member finds disturbing.

3. Elected and Appointed Officials' Conduct with City Staff

Governance of the City relies on the cooperative efforts of elected officials, who set policy, appointed members of Boards and Commissions who advise the elected officials, and City staff who implement and administer the Council's policies. Therefore, every effort shall be made to be cooperative and show mutual respect for the contributions made by each individual for the good of the community.

(a) Treat all staff as professionals

Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. Poor behavior towards staff is not acceptable.

(b) Do not disrupt City staff from their jobs

Elected and appointed officials shall not disrupt City staff while they are in meetings, on the phone, or engrossed in performing their job functions in order to have their individual needs met. Attendance by Council Members at any meeting attended by City staff (other than City Council meetings noticed under the Brown Act) should not occur unless at the request of, or acknowledgement by, the City Manager.

(c) Never publicly criticize an individual employee

Elected and appointed officials shall never express concerns about the performance of a

City employee under the supervision of the City Manager or City Attorney in public, to the employee directly, or to the employee's manager. Comments about staff performance shall only be made to the City Manager or City Attorney, as applicable, through private correspondence or conversation. Appointed members of Boards and Commissions shall make their comments regarding staff to the City Manager or the Mayor.

(d) Do not get involved in administrative functions

Elected and appointed officials acting in their individual capacity shall not attempt to influence City staff on the making of appointments, awarding of contracts, selecting of consultants, processing of development applications, or granting of City licenses and permits.

(e) Do not solicit political support from staff

Elected and appointed officials shall not solicit any type of political support (financial contributions, display of posters or lawn signs, name on support list, etc.) from City staff. City staff may, as private citizens with constitutional rights, support political candidates but all such activities shall be done away from the workplace.

(f) No Attorney-Client Relationship

The City Attorney represents the City and not elected or appointed officials acting in their individual capacity. Members shall not seek to establish an attorney-client relationship with the City Attorney, or members of the City Attorney's staff.

(g) Board and Commission Member Requests for Information

Members of the Boards and Commissions, when making inquiries for information from staff pertinent to matters before their Board or Commission, shall make requests for information through the Department liaison(s) assigned to their Board or Commission and shall refrain from making duplicative requests of other City departments or divisions.

4. Council Conduct with Boards, Committees and Commissions

The City has established several Boards and Commissions as a means of gathering more community input. Citizens who serve on Boards and Commissions become more involved in government and serve as advisors to the City Council. They are a valuable resource to the City's leadership and shall be treated with appreciation and respect.

(a) If attending a Board or Commission meeting, be careful to only express personal opinions

Subject to the limitations of the Brown Act, Councilmembers may attend any Board, Committee or Commission meeting, which are always open to any member of the public. However, they shall be sensitive to the way their participation could be viewed as unfairly affecting the process. Any public comments by a Councilmember at a Board or Commission meeting shall be clearly made as individual opinion and not as a representation of the feelings of the entire City Council (unless lawfully authorized by the Council).

(b) Limit contact with Board and Commission members to questions of clarification

It is inappropriate for a Councilmember to contact a Board or Commission member to lobby on behalf of an individual, business, or developer, and vice versa. It is acceptable for Councilmembers to contact Board or Commission members in order to clarify a position taken by the Board, Committee or Commission.

(c) Respect that Boards and Commissions serve the community, not individual Councilmembers

For Title 2 Boards and Commissions, each Councilmember nominates a member to each Board and Commission. The entire Council votes to approve or reject a nomination. Although Board and Commission members are nominated by individual Councilmembers, they do not report to individual Councilmembers, and they serve at the pleasure of the entire Council. Councilmembers shall not threaten Board or Commission members with removal over political disputes. It is the responsibility of members of Boards and Commissions to follow applicable bylaws as well as City law and policy established by the Council. Appointment and re-appointment to a Board or Commission will be based on such criteria as expertise, ability to work with staff and the public, and commitment to fulfilling official duties.

(d) Be respectful of diverse opinions

A primary role of Boards and Commissions is to represent many points of view in the community and to provide the Council with advice based on a full spectrum of concerns and perspectives. Councilmembers may have a closer working relationship with some individuals serving on Boards and Commissions, but shall be fair and respectful of all citizens serving on Boards and Commissions.

(e) Keep political support away from public forums

Boards and Commission members may offer political support to a Councilmember, but not in a public forum while conducting official duties. Conversely, Councilmembers may support Board and Commission members who are running for office, but not in an official forum in their capacity as a Councilmember.

5. Personal Conduct

Members shall:

- a. Abide by the Glendale Municipal Code Chapter 2.83 Code of Ethics for Elected and Appointed Officials;
- b. Conduct themselves in a businesslike manner, respecting the rights and opinions of other members and of the public; Abusive, insulting, profane or excessively argumentative language or conduct shall not be tolerated;
- c. Abstain from, and not tolerate, physical or verbal abuse;
- d. Abstain from using alcohol and illicit drugs, or abusing controlled substances, prior to or during any public meetings and any work as a Councilmember, Commissioner,

- or Board Member on behalf of the City, and shall not otherwise be intoxicated or impaired during a public meeting or while conducting city business due to alcohol or drug use. The use, consumption, possession, purchase, sale, and transportation of alcohol and illicit drugs and the abuse of controlled substances while conducting duties on behalf of the City of Glendale is a violation of the City of Glendale's policy;
- e. Abstain from using any tobacco or marijuana products during any public meeting, whether by cigarette, vaping device, chewing tobacco, or any other instrumentality used to take or ingest tobacco or marijuana products.
 - f. Respect, adhere to, and help enforce the rules, policies, and guidelines established by the body upon which they serve;
 - g. Attend the meetings of the body upon which they serve on a regular basis and provide prior notification of any necessary absences;
 - h. Read meeting packet materials ahead of time and otherwise be prepared for the meetings;
 - i. Participate in deliberation at the meetings when appropriate;
 - j. Not engage in criminal activities, and other activities including but not limited to situations of conflict of interest, incompatible office, ex parte contact, not voting on the same issue twice by virtue of serving on two different bodies, or accepting gifts as a form of influencing your vote;
 - k. In public forums when speaking on behalf of the Council, Board or Commission, after a vote by the Council, Board or Commission has been taken on a matter, represent the adopted majority position of the Council or applicable Board or Commission when speaking on its behalf;
 - l. Not ask or direct City employees to spend City time on non-City business; and
 - m. Not engage in any conduct that violates or would cause the City to be in violation of any federal, state, or local antidiscrimination laws, including but not limited to conduct, behavior or statements that are harassing, discriminatory, or retaliatory based on a person's race, ethnicity, gender, gender identity, sexual orientation, disability, or marital status.
 - n. In addition to any other state laws prohibiting such conduct, not appear (for compensation) before the Council, Board or Commission upon which they serve to represent or advocate on behalf of another individual or any entity with business before said Council, Board or Commission.

6. Conduct with the Media

Council Members are frequently contacted by the media for background and quotes. Advisory Body members are not authorized to represent the City outside of official Advisory Body meetings unless specifically authorized to do so by the City Council. Official City responses will be given by the Mayor or Council designee (i.e. Mayor Pro Tem in Mayor's absence), the City Manager or his/her designee, or City Attorney, as applicable.

7. Social Media Use

When using social media, City officials must clearly disclose that they are expressing their own personal opinion and not an official position of the City or, if applicable, the body on

which they serve. Where appropriate, posting a disclaimer to this effect is advised. City officials must also use caution when communicating on social media in that it does not become a conduit to communicate with their fellow council/commission members in violation of the Brown Act. City Officials shall not discuss City business with a majority of members of the same legislative body. That including communicating, posting, sharing, commenting, or using digital icons (e.g. a thumbs up, or emoji). Further, City officials shall not respond directly to another member's communication, comment or post if the two are on the same legislative body of the City and the topic concerns City business.

8. Conduct of Councilmembers and Members of Boards of Commissions Acting in a Quasi-Judicial Capacity on Land Use Matters

The City Council, and members of certain Boards and Commissions, including the Planning Commission, Design Review Board, and Historic Preservation Commission act in a quasi-judicial or adjudicative capacity on planning cases and appeals, where they must hear evidence and decide the matter based upon the evidence in the record. In those cases, the Councilmembers, and Members of the Boards and Commissions will also comply with the following:

- a. *Ex parte* contacts or meetings (meetings with interested individuals outside of the hearing) are not encouraged. However, if they do occur, Members must disclose such *ex parte* contacts at the commencement of the hearing; disclosing who they met with and the nature of the meeting/conversation;
- b. Members should disclose on the record site visits made by them in conjunction with their review of a project;
- c. Members shall retain or provide to the clerk/secretary of the Council, Board or Commission (who will retain said materials) all communications received by the City Official regarding to a quasi-judicial land use matter; and
- d. Refrain from deciding cases before the meeting and completion of the hearing.

9. Outside Employment

No City Official shall engage in or accept private employment or render services for private interests when such employment or service is incompatible with the proper discharge of their official duties in violation of Government Code section 1099 and applicable case law, or would tend to impair their independence of judgment or action in the performance of their official duties.

C. ENFORCEMENT

Upon a finding by a majority of the City Council that any City Official violated any provision of the Conduct Rules section of this Code of Conduct Policy, the City Council may, after complying with any applicable due process requirements, impose any of the following sanctions

1. Elected Officials.

- a) Public censure
- b) Loss or Removal from liaison appointments.
- c) Travel or expense reimbursement expenses
- d) Loss of staff support or use of City resources
- e) Other penalties as may be applicable under the circumstances

2. Appointed Officials of Boards and Commissions.

- a) Referral to the Board or Commission of which the appointed City Official is a member for consideration of public censure;
- b) Public censure by the City Council; or
- c) Removal from office by a majority of the City Council

The Council will endeavor to use progressive discipline for violations of this Code of Conduct, based on the order of sanctions listed above; provided, however, depending on the seriousness and nature of the violation, the Council reserves the right to impose any sanction authorized by this Code of Conduct. Subject to any applicable due process rights it is understood that with respect to any Board or Commission established pursuant to Title 2 of the Glendale Municipal Code, the members of the Title 2 Boards and Commissions serve at the pleasure of the Council and may be removed by majority vote of the Council.

D. IMPLEMENTATION

This Code of Conduct is intended to be self-enforcing and is an expression of the standards of conduct for Members expected by the City. It therefore becomes most effective when Members are thoroughly familiar with it and embrace its provisions.

For this reason, this document shall be included in the regular orientations for new Councilmembers, Councilmember-elects, members of the Boards and Commissions, and newly elected and appointed officials. **Members entering office (and Members in office when this Code of Conduct is first approved) shall sign a statement (below) acknowledging they have read and understand the Code of Conduct.** In addition, the Code of Conduct shall be periodically reviewed by the City Council and updated as necessary.

In addition, the members of the City Council are required to take Ethics Training every two years in accordance with AB 1234. All members of the Council, Boards and Commissions shall also take AB 1234 Ethics Training, regardless of whether they are mandated by state law to do so, within six (6) months of appointment or six (6) months of the adoption of this Code of Conduct, whichever occurs last.

I affirm that I have read and understand the City of Glendale Code of Conduct for Councilmembers and Members of Boards and Commissions

Name: _____

Signature: _____

Date: _____

Exhibit D

City of Pasadena's "Code of Conduct/Ethics" and "Media Policy"

SECTION 2. CITY-WIDE POLICIES & STANDARDS OF CONDUCT

A. CODE OF CONDUCT/ETHICS

1. Employees of the City are required to discharge the duties and responsibilities of their positions with professional impartiality, regardless of personal considerations, and recognizing that the public interest, as articulated by City policy, is their primary concern. The conduct of employees in their official capacity must be beyond reproach. Their conduct shall be such that when viewed by the reasonable person, it is a credit to the integrity of City government.
2. To meet this above stated requirement, employees must:
 - a. Respect and comply with the rules, ordinances and statutes establishing standards of ethical conduct, both on and off the job.
 - b. Refrain from disclosing, promulgating, or validating information concerning City government or other employees and officials which is false, confidential, protected by rights of privacy or common courtesy, or disruptive to the work environment, without official authorization.
 - c. Be responsive, efficient, courteous, and impartial in the performance of their job, assuring fair and equal treatment of all persons, claims and transactions coming before them in their official capacities.
 - d. Work in full cooperation with other City employees in promoting the public welfare, recognizing that private interest (of an individual employee or anyone associated therewith) must always be subordinate to the public interest.
 - e. Make decisions in full compliance with the law and the policies promulgated by the City Council, and subordinate personal views to official policy while acting in an official capacity.
 - f. City funds or property may never be used for personal or private use, gain or benefit and employees must be absolutely honest in all dealings, in whatever capacity, with City funds, properties and facilities.
 - g. Refrain from modifying or altering City documents, forms, or records in order to misrepresent facts or circumstances. Should a City record need to be modified, any modifications to City records should be noted with the signature and date of the employee making the modification.
 - h. Never accept or engage in outside employment or on-duty or off-duty activities that may appear to be, or are incompatible with public duties. Employees of the City should not become involved or affiliated with any company, agency or entity that receives funds from the City, either directly or indirectly, where that association or affiliation may create a conflict of interest, or an appearance of a conflict of interest or impropriety.
 - i. Refuse to represent private interests before government agencies in any matter in which the City is a party, or in which the employee's official position with the City is, or may be, a

consideration in, or influence the decision of such agency on the matter before it.

- j. Disclose all financial interests which may constitute a conflict of interest with official duties, and disclose the nature and extent of personal interests in any business entity engaging in any transaction with the City to the extent required under the City's conflict of interest resolution and any applicable state and federal law.
- k. Refuse to accept gifts, favors, services or promise of future benefit from any person or entity doing business with the City of Pasadena, such as, but not limited to, vendors, contractors, developers, agents, attorneys or others where such gift, favor, service or promise could compromise independence of judgment or action as a public official or employee, and disclose any offer of gift, favor, service or promise to the employee's supervisor.
- l. Not act in any manner, whether or not specifically prohibited by law, rule, practice or procedure, which could be construed by an objective, reasonable person to result in or create the appearance of:
 - i. Using public office for personal gain.
 - ii. Giving preferential treatment or partiality to any person or group.
 - iii. Willfully impeding governmental responsiveness, efficiency or effectiveness.
 - iv. Making a governmental decision outside the established, official City procedures or beyond the authority of the employee.
- 3. Because the City is tax-supported and exists to promote the general health and welfare of the community, employees of the City have responsibilities greater than their counterparts in private industry. Pasadena City employees are in the "public eye", and employment with the City carries an obligation of personal integrity and conduct that serves to establish public respect, confidence and trust.

Employees represent the City of Pasadena and the quality of City service is judged through their appearance and demeanor. The residents of Pasadena have the right to expect that City employees will provide services in an efficient, complete and courteous manner. Employees must be "public relations" conscious and service oriented. It is intended that the rules and procedures which follow will assist employees in maintaining high ethical standards and proper job performance, and in avoiding potential conflicts of interest both in fact and appearance.

Failure of an employee to comply with any of the standards set forth in this policy shall be the basis for disciplinary or other appropriate action.

- 4. All employees have the right to expect:
 - a. Courteous treatment from fellow City employees and officials.
 - b. Equality of treatment under the same policies, rules, and regulations established for all

SECTION 2 | CITY-WIDE POLICIES AND STANDARDS OF CONDUCT

employees.

- c. Opportunity to obtain redress of grievance without jeopardizing their employment.
 - d. Participation in a recognized employee organization for the purpose of representation on matters within the scope of representation as well as the right to choose not to participate in any employee organization. Employees in classifications represented by bargaining groups with Agency Shop agreements who choose not to be a part of the union may be required to pay a Fair Share Fee, or pay a sum equal to the Agency Shop fee to a non-religious and non-labor charitable fund exempt from taxation under Section 501(c)(3) of the Internal Revenue Service Code.
 - e. Equal opportunity for career advancement and organizational mobility to realize their full potential based on qualifications and as positions become available.
5. The City, as a condition of employment, expects to receive from the employee:
- a. Initiative and a conscientious effort to perform productive work.
 - b. Cooperative, positive, responsive and courteous relations with fellow employees, supervisors, and the public.
 - c. A continuous effort to strive for greater knowledge and skill on the job in order to maintain performance at a high level.
 - d. Compliance with all rules of conduct, practices, procedures, and ordinances established by the City.
 - e. Public loyalty to and support of the official policies of the employee's department and the City.
 - f. Responsible work habits demonstrated by:
 - i. Being flexible and adaptable to change.
 - ii. Keeping informed on developments and matters affecting job performance.
 - iii. Dependability, promptness, reliable attendance and performing required duties competently.
 - iv. Accepting constructive suggestions and criticism.
 - g. Neat, clean, and appropriate grooming and attire. Prescribed uniforms and safety equipment must be worn where applicable.
 - h. The City prides itself on the professional appearance it maintains and the favorable image that employees present as representatives of the City of Pasadena. Employees are expected

to use their best judgment in determining their appearance and dress, consistent with the City's standards and the positive image and professional appearance it wishes to maintain. Employees should dress conservatively, in good taste and according to the requirements of his or her position.

K. MEDIA POLICY1. Purpose

The purpose of the City's Media Policy is to improve media relations, protect and enhance the image of the City of Pasadena and ensure that accurate, appropriate information is released to the news media.

2. Policya. Priority

Inquiries from the news media should be given a high priority and be responded to as quickly and efficiently as possible. Every effort should be made to ensure that all information released is accurate and meets media deadlines.

b. Public Information

Generally, the business conducted by the City of Pasadena is public and therefore is subject to the federal Freedom of Information Act and the California Public Records Act. Exceptions include, but are not limited to, works in progress that have not been publicly distributed, attorney client-privileged and matters involving pending litigation, issues that are subject to ongoing negotiation, and confidential personnel-related matters.

c. Sensitive and Controversial Issues

The appropriate department director, the City Manager and the Public Information Officer (PIO) must be informed immediately of inquiries from the news media that relate to sensitive or controversial issues, potential litigation, ongoing negotiations or personnel matters; and must be made aware immediately of potentially sensitive issues when it is anticipated that those issues may reach the media. The City Manager will communicate directly with the PIO, the appropriate department director and other city officials as necessary, including the City Attorney and Director of Human Resources on an as-needed basis, to develop strategies for each issue and determine an appropriate spokesperson.

Any City employee who speaks to a reporter or editor about a sensitive or controversial issue without authorization and prior approval by the City Manager may be subject to disciplinary action. The PIO must be made aware of any such authorization or approval.

d. Examples of Sensitive or Controversial Issues

Examples of sensitive or controversial issues include, but are not limited to, performance evaluations related to any City employee; legal claims or lawsuits filed against the City of Pasadena by any City employee, City Council Member or other elected official, individual, business or organization; negotiations related to economic development or redevelopment; court appearances by any City employee, member of the City Council, or spouses or other

family members of either; and hiring, disciplinary action, or termination processes related to any City employee.

e. Spokesperson

In most cases, there will be one spokesperson designated for response to each inquiry, and all related inquiries will be directed to that spokesperson. For citywide issues the spokesperson will most often be the City Manager or the PIO; for department-related issues the spokesperson will most often be the director of a department or division head; in some instances the spokesperson will be the employee, regardless of rank, who can best answer specific questions about a particular issue. The spokesperson will work directly with the PIO to ensure that information for specific media issues is communicated appropriately.

f. Public Records Requests

Requests from the media or the public for City of Pasadena records may be written or verbal. Staff is required, if necessary, to help requesters make focused and effective requests that reasonably describe identifiable records. The Public Records Act allows up to 10 days for this process, but departments are encouraged to provide information in as timely a manner as possible.

g. News Releases

City departments may issue routine news releases and consult with the Public Information Office as necessary. The PIO must receive a copy of every news release that is distributed by any City department. Any news release issued by any department of the City of Pasadena, with the exception of the City Attorney's Office, that relates to or is requested by an elected official - City Council Member, county supervisor, assembly member, senator, etc. - must receive approval from the City Manager before being written or released.

h. Media Briefings

When necessary, briefings may be conducted to educate the news media about potentially controversial issues and provide reporters an opportunity to ask in-depth questions. In most cases, appropriate City staff and reporters review extensive background materials, distribute fact sheets and explanatory materials, or discuss at length a particular issue or upcoming report to the City Council. The PIO will be responsible for scheduling any such briefings.

i. Press Conferences

When necessary, press conferences may be conducted to make extremely important announcements and facilitate the flow of immediate, accurate information that City officials cannot respond to on an individual basis. The City Manager and the PIO must be notified in advance of a department's intent to hold a press conference. The PIO will be available as needed for consultation with appropriate staff regarding the strategy, preliminary statement,

materials, media alert and general set-up of the conference. The City Manager or his/her designee is responsible for notifying the City Council of any breaking news.

3. Emergency Media Relations

In the event of a disaster or emergency, the Fire Department, Police Department or the Public Works and/or the Water and Power departments will assign a spokesperson to be responsible for primary media relations. The City's PIO serves as spokesperson during an emergency only when the Emergency Operations Center (EOC) is activated.

4. Departmental Media Policies

a. Development of Departmental Policies

Each department in the city organization will establish a media plan for non-controversial, day-to-day inquiries from the news media. The plan will include the appointment of a spokesperson(s) to represent the department to the media. The City's PIO is always available for consultation and will, on request, be present at interviews between reporters and City staff.

b. Filing of Departmental Policies

Department media policies must be on file in the City Manager's Office and the Public Information Office.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
EXECUTIVE COMMITTEE
DECEMBER 6, 2023**

COMMITTEE PENDING ITEMS

Future

1. Policy Discussion on Posting of Presentations with Commission Agendas
2. Amendments to Project Labor Agreements
3. Explorations of Options to Become a Utility Provider

**AMENDMENT NO. 4 TO
AIRPORT USE AGREEMENT**
(Burbank-Glendale-Pasadena Airport Authority / Alaska Airlines)

This Amendment No. 4 (“Fourth Amendment”) to the October 1, 2009 Airport Use Agreement (“Agreement”) executed by the Burbank-Glendale-Pasadena Airport Authority (“Authority”), a California joint powers agency, and Alaska Airlines, Inc. (“Airline”), an Alaska corporation, is dated December 18, 2023 for reference purposes. Capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Agreement.

R E C I T A L S

A. The parties executed the Agreement to set forth their respective rights, privileges, and obligations with respect to Airline’s use and occupancy of the Bob Hope Airport and to facilitate the development, promotion, and improvement of air commerce.

B. Pursuant to request of the Authority and consent of Airline, the Agreement’s initial Stated Expiration Date of June 30, 2014 was extended to June 30, 2019.

C. The parties have executed the following amendments to the Agreement (collectively, the “Prior Amendments”):

1. A May 6, 2019 Amendment No. 1 to: (i) extend the Expiration Date by one year; and (ii) establish a process for an additional month-to-month extension of the Expiration Date if necessary to complete negotiations for a new contract.

2. An April 6, 2020 Amendment No. 2 to establish a COVID-19 pandemic relief plan that provides a three month deferral of rent, joint use fees, and landing fees.

3. A February Amendment No. 3 to: (i) extend the Expiration Date to the end of the Authority’s FY 2025; (ii) incorporate measures from the Authority’s air quality improvement plan; and (iii) advance the Authority’s RPT Program.

D. The parties desire to further amend the Agreement to extend the Expiration Date to the replacement passenger terminal date of beneficial occupancy. Additionally, the parties desire to memorialize certain acknowledgements regarding the RPT Program financing.

NOW, THEREFORE, the parties agree as follows:

1. Amendment of Article I. Section 1.02 (Definitions) of Article I (Basic Information; Definitions; Exhibits) of the Agreement is amended by adding “Replacement AUA” and “Replacement AUA Commencement Date” definitions to read as follows:

“‘Replacement AUA’ shall mean the Airport Use Agreement to be executed by Airline and Authority, substantially consistent with the template approved by the Authority Commission on December 18, 2023.

‘Replacement AUA Commencement Date’ shall mean the ‘Commencement Date’ as such term is defined in the Replacement AUA.

‘RPT 1st FY Annual budget’ means the Annual Budget for the Fiscal Year during which the Replacement AUA Commencement Date will occur.”

2. Amendment of Article I. Section 1.02 (Definitions) of Article I (Basic Information; Definitions; Exhibits) of the Agreement is amended by revising the “Stated Expiration Date” definition to read as follows:

“‘Stated Expiration Date’ shall mean the Replacement AUA Commencement Date. The target date for the Replacement AUA Commencement Date is October 1, 2026.”

3. RPT Program Financing Acknowledgements.

A. Airline affirms that it has participated, and it shall continue to participate, in good faith in meetings with the Authority and the RPT Program design-builder with regard to design and cost.

B. Airline acknowledges that sources of funds to finance the RPT Program will include proceeds from Bonds to be issued by the Authority. Notwithstanding any other provision of the Agreement (including Section 8.02), without obtaining approval from any Signatory Airline, the Authority may take the following actions as the Authority deems necessary or appropriate for financing the cost of the RPT Program: (i) enter into any Bond Resolution and (ii) execute any amendment or supplement to Bond Resolutions.

C. The RPT 1st FY Annual Budget (which will be prepared and adopted before the Replacement AUA Commencement Date) will take into account the rates and provisions that will become effective pursuant to the Replacement AUA.

D. From the effective date of this Fourth Amendment to the Replacement AUA Commencement Date, the Authority shall continue to calculate Rental, fees and charges in accordance with Articles VI and VII of the Agreement, unless the Authority determines that adjustment is necessary for any of the following reasons: (i) to meet the Bond Resolution requirements, including requirements relating to rate covenant and requirements for issuance of Bonds to finance the RPT Program, (ii) for payment of cost incurred for the RPT that cannot be capitalized, or (iii) to adjust for any significant drop in Airport activity resulting in Authority revenue decrease.

4. Counterparts. This Fourth Amendment may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same document.

5. Effective Date. Subject to satisfaction of the condition precedent specified in Section 6, this Fourth Amendment shall be effective upon execution.

6. Condition Precedent. Effectiveness of this Fourth Amendment is contingent upon execution, by Airline and the Authority, of the Replacement AUA.

7. Preservation of Agreement. Except as expressly modified by this Fourth Amendment, all of the provisions of the Agreement (as amended by the Prior Amendments) shall remain unaltered and in full force and effect. In the event of a conflict between the provisions of this Fourth Amendment and the provisions of the Agreement (as amended by the Prior Amendments), the provisions of this Fourth Amendment shall control.

TO EFFECTUATE THIS FOURTH AMENDMENT, the parties have caused their duly authorized representatives to execute this Fourth Amendment by signing below.

Alaska Airlines, Inc.

By: _____

By: _____

Print Name: _____

Print Name: _____

☐ Chairperson ☐ President ☐ Vice President

☐ Secretary ☐ Asst. Secretary

☐ Chief Finance Officer ☐ Asst. Treasurer

[Pursuant to California Corporations Code Section 313, both signature lines must be executed unless the signatory holds at least one of the offices designated on each line.]

Burbank-Glendale-Pasadena Airport Authority

Frank R. Miller, Executive Director

Approved as to form:

Richards, Watson & Gershon
A Professional Corporation

AIRPORT USE AGREEMENT

BETWEEN

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

AND

[AIRLINE NAME]

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AIRPORT USE AGREEMENT

THIS AIRPORT USE AGREEMENT (“Agreement”) is dated December 18, 2023 for reference purposes and is executed by the Burbank-Glendale-Pasadena Airport Authority (“Authority”), a California joint powers agency, and [airline name] (“Airline”), a [state] [entity type].

RECITALS

- A. The Authority owns and operates Bob Hope Airport (commonly known as Hollywood Burbank Airport) (“Airport”).
- B. Airline is an air carrier certificated by the Federal Aviation Administration.
- C. The parties are executing this Agreement to facilitate the development, promotion, and improvement of air commerce by providing for Airline’s use of the Airport.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I INTRODUCTORY MATTERS

1.01 Contact Information.

Authority’s Overnight Delivery and Street Address:	2627 Hollywood Way Burbank, California 91505 Attention: Executive Director
Authority’s E-mail Address:	FMiller@bur.org
Authority’s Payment Address:	2627 Hollywood Way Burbank, California 91505 Attention: Director, Financial Services
Airline’s Overnight Delivery and Street Address:	[address]
Airline’s E-mail Address:	[address]

1.02 Definitions. The following definitions shall apply for purposes of this Agreement unless the context otherwise requires:

- (a) AAAC: Airline Airport Affairs Committee.
- (b) Agency: any federal, state, or local government agency.
- (c) AIP Requirements: FAA Airport Improvement Program requirements set forth in the attached Exhibit L.

(d) Air Transportation: carriage of passengers, personal property, cargo, or mail by aircraft.

(e) Aircraft Arrivals: aircraft arrivals at the Airport (including scheduled, charter, sight-seeing, test, ferry, courtesy, and inspection flights). Aircraft Arrivals does not include a flight that immediately returns to the Airport after departure due to mechanical, meteorological, or other precautionary reasons.

(f) Airfield Area: portions of the Airport that provide for the landing and takeoff, handling, servicing, loading and unloading, and other operations of aircraft. Airfield Area includes support facilities (e.g., field lighting, navigational aids, and cart roads).

(g) Airfield Area Requirement: as specified in Section 7.05.

(h) Airline: [airline name] and its successors. Airline includes any permitted assignee or other transferee under Section 10.01.

(i) Airline Parties: Airline and its shareholders, partners, directors, officers, employees, agents, representatives, and contractors.

(j) Airline Support Facility: Building to be constructed to house airline belly cargo and GSE maintenance. The preliminary plot plan for the Airline Support Facility is set forth in the attached Exhibit B. When available, the final Airline Support Facility plot plan shall automatically be attached as Exhibit B and shall supersede prior versions.

(k) Airline Support Facility Requirement: For any Fiscal Year, the sum of: (i) the estimated amounts for maintenance, operating and administrative expenses, capital outlays, replacements, and renewals of the Airline Support Facility Cost Center for the Fiscal Year, as reflected in the Authority's Annual Budget; and (ii) all amounts required by Bond Resolutions to be paid or set-aside (e.g., interest and principal payments on Bonds, debt service reserve fund deposits, operating reserve deposits) during the Fiscal Year that are allocable to the Airline Support Facility Cost Center.

(l) Airport: Bob Hope Airport, as shown on the Airport Layout Plan, and any other real property acquired or leased by the Authority for Airport Purposes.

(m) Airport Cost Centers: the following cost centers, more fully described on the attached Exhibit C. Prior to the Commencement Date, if the Authority determines that any update to Exhibit C is appropriate, the Authority shall provide an updated Exhibit C to Airline, and such updated Exhibit C shall supersede the prior versions.

(1) Airfield Cost Center: revenues received and expenses (including Coverage on Bonds) incurred in connection with the operation, maintenance, and improvement of the Airfield Area.

(2) Airline Support Facility Cost Center: revenues received and expenses (including Coverage on Bonds) incurred in connection with the operation, maintenance, and improvement of the Airline Support Facility.

(3) Authority Areas Cost Center: revenues received and expenses (including Coverage on Bonds) incurred in connection with the operation, maintenance, and improvement of the Authority Areas.

(4) Other Buildings and Areas Cost Center: revenues received and expenses (including Coverage on Bonds) incurred in connection with the operation, maintenance, and improvement of those portions of the Airport not included in any other cost center.

(5) Parking and Roadway Cost Center: revenues received and expenses (including Coverage on Bonds) incurred in connection with the operation, maintenance, and improvement of access roads to the Replacement Passenger Terminal and those portions of the Airport devoted to automobile parking.

(6) Replacement Passenger Terminal Cost Center: revenues received and expenses (including Coverage on Bonds) incurred in connection with the operation, maintenance, and improvement of the Replacement Passenger Terminal.

(n) Airport Daily Operating Requirement: as specified in Section 7.05(b)(6).

(o) Airport Engineer: Burbank-Glendale-Pasadena Airport Authority Director of Engineering and Maintenance or such person's designee.

(p) Airport Expense: all costs and expenses of operating the Airport or incidental to, or arising out of, the operation of the Airport. Airport Expense includes Coverage on Bonds and the costs of defending, settling, or satisfying Airport-related litigation.

(q) Airport Layout Plan: Airport Layout Plan set forth in the attached Exhibit A. Airport Layout Plans subsequently approved by the FAA shall automatically be attached as Exhibit A and shall supersede prior versions.

(r) Airport Manager: person designated by the Authority to exercise functions with respect to the rights and obligations of the Authority under this Agreement. As of the execution of this Agreement, the Airport Manager is TBI Airport Management, Inc. a Delaware corporation.

(s) Airport Purpose: any action or undertaking by the Authority reasonably related to: (i) the development and preservation of the Airport as a destination for air commerce and as an industrial or commercial site; or (ii) the operation and preservation of the Authority.

(t) Airport Revenue: "Revenues" as specified in any Bond Resolution.

(u) Airport Rules and Regulations: July 1, 2023 Airport Rules and Regulations or any successor adopted by the Authority Commission. The Airport Rules and Regulations are available on the Authority's webpage (hollywoodburbankairport.com), and Airline may obtain a hard copy from the Authority upon request.

(v) Alterations: as specified in Section 9.01.

(w) Annual Budget: capital and operating budgets prepared by the Airport Manager and approved by the Authority Commission.

(x) Approved Alterations: as specified in Section 9.01.

(y) Apron Area: aircraft parking and maneuvering areas adjacent to the Replacement Passenger Terminal. The preliminary plot plan for the Apron Area is set forth in the attached Exhibit D. When available, the final Apron Area plot plan shall automatically be attached as Exhibit D and shall supersede prior versions.

(z) ASF Base Rate: as applicable to each Fiscal Year, a dollar amount per square foot (calculated by the Authority before the commencement of the Fiscal Year) that equals the estimated Airline Support Facility Requirement divided by the square footage of the Airline Support Facility.

(aa) Authority: Burbank-Glendale-Pasadena Airport Authority and its successors.

(bb) Authority Areas: areas designated on Exhibit C and any property or improvements subsequently acquired by the Authority with either: (i) funds other than Airport Revenue; or (ii) Airport Revenue allocable to the Authority Areas Cost Center.

(cc) Authority Commission: Burbank-Glendale-Pasadena Airport Authority Commission.

(dd) Authority Parties: the Authority, the Airport Manager, the Cities of Burbank, Glendale, and Pasadena, California, and their respective commissioners, officials, directors, officers, employees, agents, representatives, contractors, successors, and assigns.

(ee) Bond Resolution: indenture, trust agreement, resolution, or similar instrument, however denominated, pursuant to which bonds, notes, or other evidences of indebtedness of the Authority have been or will be issued, as originally executed or as the same may be amended or supplemented.

(ff) Bonds: notes, revenue bonds, and other evidences of indebtedness previously or subsequently issued by the Authority for an Airport Purpose pursuant to a Bond Resolution.

(gg) BTMO: Burbank Transportation Management Organization.

(hh) Capital Improvement: an item charged to a capital account in the Authority's financial statements.

(ii) Claims: any and all demands, claims, actions, causes of action, proceedings, judgments, damages, awards, penalties, fines, losses, liabilities, obligations, costs, and expenses including interest, court costs, and attorney fees.

(jj) Commencement Date: as specified in Section 2.02(b).

(kk) Common Use Fees: Airline's share of the fees payable by Signatory Airlines for the license to use the Common Use Space.

(ll) Common Use Formula: a formula that: (i) equally allocates among all Signatory Airlines 20% of the fees for the use of the Common Use Space; and (ii) allocates 80% of such fees among all Signatory Airlines according to the ratio of (A) the number of each Signatory Airline's enplaning passengers at the Airport during each month of the Fiscal Year to (B) the total number of enplaning passengers of all Signatory Airlines for that month.

(mm) Common Use Space: Replacement Passenger Terminal space licensed to Airline and other Signatory Airlines for the uses specified in Section 4.01(b)(2). The Authority shall provide Airline a description of the Common Use Space and a related plot plan when available. Such description and plot plan shall automatically be attached as Exhibit N.

(nn) Confidential Information: information of a proprietary or otherwise confidential nature.

(oo) Contamination: any spilling, discharging, releasing, or disposing of Hazardous Substances on, in, under, or about the Airport, or any other contamination or deterioration of groundwater, subsoil, or soil in, on, under, or originating from the Airport.

(pp) Cost: costs and expenses of planning, designing, acquiring, constructing, installing, and financing a Capital Improvement, placing a Capital Improvement in operation, or disposing of a Capital Improvement, and obtaining requisite governmental approvals. Payment of any Cost shall include reimbursement to the Authority for any of the costs included in this definition and paid by the Authority but which have not previously been reimbursed to the Authority and which are not reimbursed from contributions in aid of construction. Cost includes funds required for the following:

(1) Costs of preliminary investigation and development, the performance or acquisition of feasibility and planning studies, and the securing of regulatory approvals.

(2) Costs for land and land rights, engineering and contractors' fees, labor, materials, equipment, utility services and supplies, legal fees, and financing expenses.

(3) Working capital and reserves in such amounts as shall be determined by the Authority.

(4) Interest accruing in whole or in part on Bonds prior to and during construction of a Capital Improvement, and for such additional period as the Authority determines.

(5) Proceeds of Bonds deposited in any fund or account required by a Bond Resolution.

(6) Payment of principal, premium, and interest when due (whether at the maturity of principal or at the due date of interest or upon redemption or otherwise) of any note

or other evidence of indebtedness the proceeds of which were applied to any of the costs of a Capital Improvement.

(7) Training and testing costs allocable to the acquisition, placing in operation, or construction of a Capital Improvement.

(8) Costs of insurance applicable to the period of construction and placing a Capital Improvement in operation.

(9) Costs relating to injury and damage claims arising out of the acquisition or construction of a Capital Improvement less proceeds of insurance.

(10) Taxes, and payments in lieu of taxes, applicable to the period of construction and placing a Capital Improvement in operation.

(11) Amounts payable with respect to capital costs for the expansion, reinforcement, or other improvement of facilities determined by the Authority to be necessary in connection with the utilization of a Capital Improvement, and the costs associated with the removal from service or reductions in service of any facilities as a result of the expansion, reinforcement, or other improvement of such facilities or the construction of a Capital Improvement.

(12) Costs of issuance of any Bonds.

(13) Fees and expenses pursuant to any lending facility, credit facility, or agreement applicable to the period for construction and placement of a Capital Improvement in operation.

(14) All other Authority-incurred costs allocable to the acquisition, construction, or placement of a Capital Improvement in operation.

(qq) Coverage: a percentage, specified in the corresponding Bond Resolution, of the Debt Service or Accrued Debt Service (as such terms are defined in the Bond Resolution), in connection with the rate covenant set forth in the Bond Resolution. Coverage also means the dollar amount computed by applying such percentage to Debt Service.

(rr) CUPPS: IATA-certified common use passenger processing system.

(ss) Default Event: as specified in Section 15.01.

(tt) Disability Equipment: equipment for use in boarding and unloading of mobility-impaired passengers.

(uu) Disability Law: any applicable law or court ruling pertaining to access to Airport facilities, Airport services, or aircraft by disabled persons.

(vv) Environmental Law: any applicable law or court ruling pertaining to the environment, Hazardous Substances, pollutants, occupational safety and health, industrial hygiene, or environmental conditions on, under, or about the Airport.

(ww) Equipment: as specified in the attached Exhibit J. The list of Equipment in Exhibit J is subject to change based on modifications to the RPT Program before the Commencement Date. To the extent that such changes are warranted, the Authority shall prepare an updated Exhibit J and the updated Exhibit J shall supersede the prior versions.

(xx) Equipment Maintenance Agreement: that certain Equipment Maintenance Agreement executed by Signatory Airlines and a Subcontractor for maintenance and repair of the Equipment.

(yy) Exclusive Use Space: Replacement Passenger Terminal space leased by the Authority to Airline. Pursuant to Section 4.01, the Exclusive Use Space shall be described in an operating memorandum, which shall automatically be attached as Exhibit O.

(zz) Executive Director: Burbank-Glendale-Pasadena Airport Authority Executive Director.

(aaa) Expiration Date: as specified in Section 2.02(c).

(bbb) FAA: Federal Aviation Administration.

(ccc) Fiscal Year: period beginning on July 1 of any year and ending on June 30 of the following year.

(ddd) GMP: guaranteed maximum price.

(eee) GSE: ground support equipment.

(fff) Hazardous Substances: any hazardous or toxic substance, material, or waste that is or shall become regulated by an Agency. Hazardous Substances includes any material or substance that is: (i) defined or listed as a “hazardous waste,” “extremely hazardous waste,” “restrictive hazardous waste,” or “hazardous substance;” (ii) considered a waste, condition of pollution, or nuisance under Environmental Law; (iii) petroleum or a petroleum product or fraction thereof; (iv) asbestos or asbestos-containing materials; (v) flammable or explosive substances; (vi) mold, mold spores, or fractions thereof; or (vii) substances designated by an Agency to cause cancer or reproductive toxicity.

(ggg) IATA: International Air Transport Association.

(hhh) Landing Fees: as specified in Section 6.03.

(iii) Landing Fee Rate: as specified in Section 6.03(b) and as adjusted pursuant to Article VII.

(jjj) Lockheed: Lockheed Martin Corporation and its successors.

(kkk) Majority-In-Interest: a numerical majority of Signatory Airlines, which numerical majority shall have landed more than 75% of the Total Landed Weight at the Airport during the immediately preceding Fiscal Year.

(lll) Maximum Gross Landing Weight: certified maximum weight of an aircraft as recited in its flight manual.

(mmm) Noise Abatement Rules: Noise Abatement Rules reaffirmed, clarified, and restated by Authority Commission Resolution No. 471. The Noise Abatement Rules are set forth in the attached Exhibit E.

(nnn) Non-Airline Revenue: revenue received by the Authority from sources other than Signatory Airlines. Non-Airline Revenue includes PFC revenue.

(ooo) Non-Storm Water Discharge: discharge to storm sewer systems that is not entirely composed of storm water.

(ppp) Operating Permit: Airport Use and Facilities Operating Permit issued by the Authority to non-Signatory Airlines.

(qqq) PFC: passenger facility charge (as defined in 14 C.F.R. Section 158.3) imposed by the Authority.

(rrr) PFC Law: any applicable law or court ruling pertaining to the Authority's PFC program.

(sss) Premises: collectively, the Exclusive Use Space and the Common Use Space. Common Use Space areas shall only constitute "Premises" during the period of time for which Airline has a license to use such areas.

(ttt) Prior Use Agreement: [date] Airport Use Agreement executed by the parties (as amended).

(uuu) Public Areas: Replacement Passenger Terminal space made available by the Authority for use by the Authority Parties, the Airline Parties, passengers, and other members of the general public.

(vvv) Rental: as specified in Section 6.01(b) and as adjusted pursuant to Article VII.

(www) Replacement Passenger Terminal: Replacement Passenger Terminal that is to be constructed in the northeast quadrant of the Airport and is designated "future" on the Airport Layout Plan in effect as of the execution of this Agreement.

(xxx) Replacement Passenger Terminal Requirement: as specified in Section 7.04.

(yyy) Required Insurance: as specified in Section 12.01.

(zzz) RPT Base Rate: as applicable to each Fiscal Year, a dollar amount per square foot (calculated by the Authority before the commencement of the Fiscal Year) that equals the estimated Replacement Passenger Terminal Requirement (calculated according to Section 7.04) divided by the sum of: (i) the aggregate square feet of exclusive use space leased to all Signatory Airlines; and (ii) the square feet of Common Use Space.

(aaaa) RPT Program: the Authority's Replacement Passenger Terminal Program. The RPT Program generally consists of: (i) construction of a Replacement Passenger Terminal; (ii) construction of ancillary improvements including aircraft apron, roads (entrance, loop, and secondary), parking facilities, a replacement airline cargo building, a GSE maintenance building, and a replacement aircraft rescue and firefighting/police/emergency operations center building; and (iii) demolition of the Terminal Building.

(bbbb) Security Deposit: as specified in Section 25.01.

(cccc) Senior Lien: as specified in Section 19.01.

(dddd) Senior Lienholder: as specified in Section 19.01.

(eeee) Signatory Airlines: airlines providing scheduled transportation of persons or property by air to and from the Airport that have executed an Airport Use Agreement with the Authority substantially similar to this Agreement and lease Exclusive Use Space in the Replacement Passenger Terminal pursuant to such agreement. Signatory Airlines includes Airline.

(ffff) Special Funds: funds or accounts permitted by, established under, or identified in a Bond Resolution, held and administered by the Trustee or the Authority, and such other funds as the Authority may from time to time establish.

(gggg) State: State of California.

(hhhh) Storm Water: storm water runoff, snowmelt runoff, and storm water surface runoff and drainage.

(iiii) Subcontractor: an independent contractor hired to maintain and repair Equipment pursuant to the Equipment Maintenance Agreement.

(jjjj) Tenant Improvement Request: as specified in Section 9.01(a).

(kkkk) Terminal Building: terminal building that is located in the southeast quadrant of the Airport and is designated "demolish" on the Airport Layout Plan in effect as of the execution of this Agreement.

(llll) Total Landed Weight: sum of the Maximum Gross Landing Weights for all Aircraft Arrivals of Airline over a stated period of time.

(mmmm) Total Landed Weight of the Signatory Airlines: sum of the Maximum Gross Landing Weights for all Aircraft Arrivals of Signatory Airlines over a stated period of time.

(nnnn) Trustee: entity designated by a Bond Resolution to act in a fiduciary capacity, either as a trustee or as a fiscal agent, with respect to the issuance of Bonds.

(oooo) TSA: Transportation Security Administration.

(pppp) TSA Regulations: 49 C.F.R. Parts 1542 and 1544.

1.03 Rules of Construction.

(a) General. Unless otherwise indicated or apparent from the context, the following rules of construction shall apply. The singular includes the plural and vice versa; the term “shall” is mandatory and the term “may” is permissive; the term “day” means calendar day; the term “business day” means a non-holiday weekday; the phrase “for [number] days” means for [number] consecutive days; the phrase “at any time” means at any time and from time to time; and the terms “include,” “includes,” and “including” are illustrative and nonexhaustive.

(b) Cross-References. Cross-references are to articles, sections, or paragraphs of this Agreement unless otherwise indicated or apparent from the context.

(c) Law References. References to a statutory code or legislative bill refer to California law unless otherwise indicated or apparent from the context. References to a statute, regulation, or ordinance shall be deemed to refer to the then-current version of the statute, regulation, or ordinance.

1.04 Relationship to Prior Use Agreement. Until the Commencement Date, Airline’s use of the Airport shall be pursuant to the Prior Use Agreement. Upon the Commencement Date, the Prior Use Agreement shall be terminated and of no further force or effect; provided, however, that this provision does not excuse any prior breach of, or liability arising under, the Prior Use Agreement.

1.05 Operating Memoranda.

(a) Usage. The parties shall execute operating memoranda to memorialize the Commencement Date and the Common Use Space determined by the Authority, and shall execute an operating memoranda to memorialize their consensus on the Exclusive Use Space. If non-substantive clarifications of this Agreement are necessary or appropriate for its proper implementation, the parties may execute additional operating memoranda to memorialize their consensus on such clarifications.

(b) Execution. Operating memoranda shall not require Authority Commission approval and may be unilaterally executed by the Executive Director on behalf of the Authority. Airline’s [position title] is authorized to execute operating memoranda on its behalf.

1.06 Exhibit List.

Exhibit A:	Airport Layout Plan
Exhibit B:	Airline Support Facility
Exhibit C:	Airport Cost Centers
Exhibit D:	Apron Area
Exhibit E:	Noise Abatement Rules
Exhibit F:	Landing Fees Report Form
Exhibit G:	Tenant Improvement Request Form
Exhibit H:	Extension Request
Exhibit I:	Extension Acceptance Certificate
Exhibit J:	Equipment to be Operated and Maintained by Consortium
Exhibit K:	Inspection Form (Sample Only)
Exhibit L:	AIP Requirements
Exhibit M:	Form of 5-Year Funding Plan and CPE Projection
Exhibit N:	Description of Common Use Space
Exhibit O:	Description of Exclusive Use Space

ARTICLE II
EFFECTIVE DATE, AIRPORT USE PERIOD, AND TERMINATION

2.01 Effective Date.

(a) Designation. Subject to satisfaction of the condition precedent in paragraph (b) below, this Agreement shall be effective and binding on the parties upon execution.

(b) Condition Precedent. Effectiveness of this Agreement is contingent upon the parties' execution of the [number] Amendment to the Prior Use Agreement approved by the Authority Commission on December 18, 2023.

2.02 Airport Use Period.

(a) Designation. The period during which Airline may use the Airport pursuant to this Agreement shall begin on the Commencement Date and shall end on the Expiration Date.

(b) Commencement Date. The Commencement Date for this Agreement is the date on which the Authority provides Airline beneficial occupancy of the Replacement Passenger Terminal. Beneficial occupancy occurs on the date that the Authority, pursuant to an occupancy permit (including a temporary certificate of occupancy) issued by the City of Burbank, allows Airline to use space in the Replacement Passenger Terminal for revenue-generating operations.

(c) Expiration Date. Subject to extension as provided in this paragraph, the Expiration Date for this Agreement is June 30, 2035. The Expiration Date shall be June 30, 2040 if both of the following conditions are satisfied: (i) no later than June 30, 2034 the Authority delivers to Airline a duly executed Extension Request in the form set forth in the attached Exhibit H; and (ii) no later than August 15, 2034 Airline delivers to the Authority a duly executed Extension Acceptance Certificate in the form set forth in the attached Exhibit I.

2.03 Termination by Airline

(a) Thirty Day Termination. If Airline is not in default in its payments or other obligations to the Authority, Airline may terminate this Agreement on 30-days written notice upon the occurrence of any of the following events:

(1) An Agency prohibits Airline from operating such aircraft as Airline may reasonably need to operate into, from, or through the Airport and such prohibition has remained in force for 30 days.

(2) Airline has been unable to use the Premises for 30 days due to a defect or unsafe operating condition existing at the Airport.

(3) Airline has been unable to use the Premises for 30 days due to war or other casualty beyond the control of Airline.

(4) An obstacle has been erected on or in the vicinity of the Airport that would cause the cancellation, termination, or modification of Airline's air carrier operating certificate or similar authorization establishing minimum safety standards for the operation of Airline.

(b) Sixty Day Termination. If Airline is not in default in its payments or other obligations to the Authority, Airline may terminate this Agreement on 60-days written notice upon the FAA's termination or suspension of Airline's right to operate into, from, or through the Airport.

(c) Termination Payment. Upon termination of this Agreement pursuant to paragraph (a) or (b) above, Airline shall immediately pay to the Authority an amount equal to either: (i) the total of Rental that would otherwise become due and payable under this Agreement between the termination date and the Expiration Date; or (ii) an alternative sum agreed to by the parties. In any calculation of Rental, the charges per square foot in effect as of the termination date shall be used, without adjustment for future escalations under Section 7.04 and without discounting future payments to their present value. Furthermore, such calculations of Rental shall be based upon the amount of the Exclusive Use Space leased by Airline as of either the termination date or the Commencement Date, whichever is greater.

2.04 Termination by the Authority. The Authority may terminate this Agreement pursuant to Section 15.02 upon the occurrence of a Default Event.

2.05 Surrender of the Premises. No notice to quit possession on the Expiration Date shall be given by the Authority. Upon the Expiration Date, Airline shall peaceably surrender possession of the Premises in good condition (reasonable wear and tear, acts of God, fire, and other casualties excepted) and the Authority shall have the right to take possession. Airline shall have 60 days from expiration or termination of this Agreement to remove trade fixtures, equipment, and other personal property installed or placed by it in, on, or about the Airport subject, however, to any valid lien that the Authority may have for unpaid rents or fees. Airline shall not abandon any of its property on the Premises. Property not removed by Airline within such 60-day period shall, at the option of the Authority, become a part of the land on which it is located and title shall vest in the Authority. Authority property damaged by or as the result of the removal of Airline's property shall be restored by Airline, at Airline's expense, to the condition existing prior to such damage.

2.06 Holdover by Airline. Airline has no right to possess or occupy the Premises after the Expiration Date without written authorization from the Executive Director. During any holdover period, Airline shall be subject to conditions imposed by the Executive Director, this Agreement, and all charges that are charged to non-Signatory Airlines, including landing fees and fuel charges. Such holdover shall be deemed to have created: (i) with respect to the Exclusive Use Space, a month-to-month tenancy; and (ii) with respect to the Common Use Space a license, terminable on 30 days' written notice by either party to the other. Holdover consent shall not require Authority Commission approval and may be unilaterally issued by the Executive Director.

ARTICLE III GRANT OF RIGHTS TO USE AIRPORT

3.01 Grant of Rights to Use.

(a) General. The Authority grants to Airline the right to conduct activities on the Airport directly connected with Airline's business of Air Transportation upon the terms and subject to the conditions set forth in this Agreement.

(b) Exclusive Use Space Lease. The Authority leases to Airline, and Airline leases from the Authority, the Exclusive Use Space.

(c) Common Use Space License. The Authority grants to Airline a non-exclusive license to use the Common Use Space in common with others, subject to this Agreement and the direction of the Authority. At any time the Authority may: (i) terminate Airline's license to use the Common Use Space; (ii) reduce, expand, or otherwise modify the Common Use Space; and (iii) grant to others a license to use the Common Use Space.

(d) Acceptance of Space. Airline accepts the Premises in the condition existing as of the Commencement Date.

(e) Civil Code Section 1938 Disclosures. In accordance with Civil Code Section 1938(a), the parties acknowledge that, as of the execution of this Agreement, the Premises have not been inspected by a certified access specialist. Additionally, the parties acknowledge the disclosure specified in Civil Code Section 1938(e), which states:

“A Certified Access Specialist (CASP) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.”

(f) Reservations to the Authority. Airline further accepts the Premises subject to any and all existing easements and encumbrances. The Authority reserves the right (without obligation) to install, lay, construct, maintain, and repair necessary or convenient utilities and appurtenances in, over, upon, through, across, under, and along the Premises and to enter the Premises for any and all such purposes. The Authority also reserves the right to grant franchises, licenses, easements, rights of way, and permits in, over, upon, through, across, under, and along any and all portions of the Premises. No right reserved by the Authority in this subsection shall be so exercised as to interfere unreasonably with Airline’s operations.

(g) Authority’s Right of Access. The Authority shall have access to the Premises at all times in cases of emergency. The Authority shall also have access to the Premises at all times for the purpose of examining the same to ascertain if they are in good repair, inspecting any work in progress, making repairs that the Authority may be required or permitted to make, or exhibiting the same to prospective or actual purchasers, tenants, licensees, or other users of the Airport. Such entry shall be made in a manner that will not unreasonably interfere with Airline’s use of the Premises, except in case of emergency. In the event that Airline is not personally present to open and permit entry to Exclusive Use Space, the Authority may enter by means of a master key or may enter forcibly and shall incur no liability to Airline as a result of such entry.

3.02 Common Use.

(a) Gate and Space Allocations. The Authority shall assign all Replacement Passenger Terminal gates and terminal space (except dedicated airline ticket offices, baggage service offices, and administrative spaces) to Signatory Airlines on a common use basis, pursuant to the Authority’s then-current Joint and Common Use Policy. Any unused gates will be Authority-controlled on a common use basis.

(b) Technology. The Authority shall incorporate a CUPPS and other common use passenger processing technology throughout the Replacement Passenger Terminal. The

Common Use Formula shall apply to fees associated with the CUPPS and other common use passenger processing technology.

ARTICLE IV PERMISSIBLE USES

4.01 Use of Airport and Facilities.

(a) Principal Use of Airport. Airline acknowledges that the principal use of the Airport consists of the operation of a public airport. Airline also acknowledges that all other businesses conducted on or at the Airport, including Airline's business of Air Transportation, must at all times be compatible with and subordinate to such principal use as determined by the Authority in its sole and absolute discretion.

(b) Permissible Uses.

(1) Exclusive Use Space. Airline shall use the Exclusive Use Space solely for the purposes described in the associated operating memorandum (which shall be automatically attached as Exhibit O) and solely in connection with Airline's business of Air Transportation.

(2) Common Use Space. Airline shall use the Common Use Space solely for: (i) sale of Air Transportation, handling, ticketing, billing, and manifesting of passengers; (ii) taxiing, servicing, loading, unloading, and parking of Airline's aircraft; and (iii) storage of a reasonable amount of equipment required in connection with Airline's business of Air Transportation.

(3) Airport Areas. Airline shall use all Airport areas, facilities, equipment, improvements, and services solely for purposes relating to Airline's business of Air Transportation. Such use shall be limited to one or more of the following:

(A) The repairing, maintaining, conditioning, servicing, testing, parking, or storage of aircraft or other equipment operated by Airline or the United States Government; provided, however, such right shall not be construed as authorizing the conduct of a separate business by Airline but shall permit Airline to perform such functions only as an incident to its conduct of Air Transportation.

(B) The ground training of personnel in the service or employ of, or to be employed by, Airline or the United States Government; provided, however, such right shall not be construed as authorizing the conduct of a separate business by Airline but shall permit Airline to perform such functions only as an incident to its conduct of Air Transportation.

(C) The sale, lease, transfer, disposal, or exchange of Airline's aircraft, engines, accessories, and other equipment or supplies; provided, however, such right shall not be construed as authorizing the conduct of a separate business by Airline but shall permit Airline to perform such functions only as an incident to its conduct of Air Transportation. Airline shall not sell aviation fuel, propellants, or lubricants except when such aviation fuel, propellants, or lubricants are not available for sale by an authorized supplier located on the Airport.

(D) The servicing by Airline, or by the Authority or the Authority's designee, of aircraft and other equipment operated by Airline on the Apron Area with aviation fuel, propellants, lubricants, or any other materials or supplies required by Airline.

(E) The landing, take-off, flying, taxiing, towing, loading, and unloading of aircraft or other equipment used by Airline in its conduct of Air Transportation.

(F) The installation and operation of advertising signs representing Airline's business, which signs shall be substantially uniform in size, type, and location with those of other Signatory Airlines. The number, type, size, design, and location of all of such signs shall be consistent with the Authority's graphic standards and shall be subject to the prior written approval of the Authority.

(G) The installation, maintenance, and operation, by Airline alone or in conjunction with other Signatory Airlines, or through a designee, of air-to-ground communications and communications systems between suitable locations on the Airport, subject to the prior written approval of the Authority.

(H) Customary fueling and servicing of Airline's aircraft at its aircraft parking positions preparatory to loading and take-off or immediately following landing and unloading, or any maintenance of aircraft, vehicles, or equipment at places and in accordance with the Airport Rules and Regulations so long as such activities are not unreasonably unsightly, offensive, or annoying to the public and provided that the same shall not interfere with other operations of the Airport.

4.02 Conduct of Airline's Business.

(a) Manager. Airline shall designate an individual who shall be authorized to serve as manager of Airline's business and operations at the Airport. On or before the Commencement Date, Airline shall notify the Authority in writing of the name, title, qualifications, and experience of such manager. Such manager shall be vested with full power with respect to the method, manner, and conduct of Airline's business and operations at the Airport and shall be present at the Airport at all times during the hours of 8:00 a.m. to 5:00 p.m. Monday through Friday. Airline shall designate another individual as Airline's authorized substitute manager should the principal manager become unavailable, and the same experience and authorization requirements shall apply to the substitute manager.

(b) Interference with Utilities, Police, Fire Fighting. Airline shall not do or permit to be done anything that may interfere with the effectiveness or accessibility of the mechanical, gas, electrical, heating, ventilating, air conditioning, plumbing, or sewer systems, facilities, or devices on or servicing the Premises or elsewhere on the Airport. Nor shall Airline do or permit to be done anything that may interfere with free access or passage to the Premises, the streets, roads, parking lots, curb areas, entryways, exits, sidewalks, or adjacent public areas, or any other areas of the Airport. In addition, Airline shall not hinder police, fire fighting, or other emergency personnel in the discharge of their duties.

(c) Interference with Fire Exits. Airline shall not do or permit to be done anything that may interfere with the effectiveness or accessibility of fire exits, elevators, or escalators in or

adjacent to the Premises or elsewhere at the Airport, including connected or appurtenant lines, pipes, wires, conduits, and equipment.

(d) Nuisance. Airline shall not use or permit the use of the Premises or any other areas of the Airport in any manner that will: (i) tend to create or permit any waste or nuisance; (ii) tend to disturb other tenants, concessionaires, licensees, or users of the Airport; (iii) invalidate or cause the cancellation of or be in conflict with any fire or other hazard insurance policies covering the Airport; or (iv) increase the premiums for any fire insurance policies covering the Airport. Airline, at its expense, shall comply with all rules, orders, regulations, and requirements of the National Board of Fire Underwriters or any similar body.

(e) Vending Machines. Airline shall not place any vending machines or similar devices in or on the Premises or elsewhere at the Airport except as approved by Authority.

(f) Boarding, Enplaning and Unloading Passengers. No Airline Party shall knowingly board, enplane, or unload, or permit the boarding, enplaning, or unloading of, revenue passengers except as authorized by federal law and the Airport Rules and Regulations.

(g) Authority Noise Abatement Rules. Airlines shall conduct its business and flight operations in compliance with the Noise Abatement Rules as enforced by the Authority pursuant to the Airport Noise and Capacity Act of 1990.

4.03 Compliance with Laws. Airline shall comply with all applicable laws in the conduct of its business of Air Transportation at the Airport.

4.04 AIP Requirements. Airline shall comply with the AIP Requirements in the conduct of its business of Air Transportation at the Airport. In the event of a conflict between the AIP Requirements and the provisions of this Agreement, the AIP Requirements shall control.

4.05 Maintenance, Development or Improvement of Landing Area. The Authority reserves the right to maintain and further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or views of Airline, and without interference or hindrance.

4.06 Agreements with and Rights of United States. This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the Authority and the United States Government, or any lawful requirement of the United States Government, relative to the development, operation, or maintenance of the Airport. This Agreement shall be subject to whatever right the United States Government now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport, or the exclusive or nonexclusive use of the Airport, by the United States Government during the time of war or national emergency or otherwise.

4.07 Reservation of Rights. There is reserved to the Authority, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises and all other areas of the Airport. This public right of flight includes the right to cause within such airspace any noise inherent in the operation of any aircraft used for navigation or flight through such airspace or landing at, taking off from, or operating on the Airport.

4.08 Height Restrictions. Airline shall not erect or permit the erection of any structure or object, nor permit the growth of any tree, on the Premises or elsewhere at the Airport in violation of federal height restrictions and obstruction criteria or any more restrictive height restrictions and obstruction criteria established by the Authority. In the event of a breach by Airline, the Authority may enter upon the Premises or other areas at the Airport to remove the offending structure or object and to cut the offending tree, all of which shall be at the expense of Airline.

4.09 Interference with Aircraft. Airline shall not make use of the Premises or any other areas at the Airport in any manner that might interfere with the landing or taking off of aircraft from the Airport, or which might otherwise constitute a hazard. In the event of a breach by Airline, in addition to all other available rights and remedies, the Authority shall have the right to enter upon the Premises or other areas at the Airport and cause the abatement of such interference, at the expense of Airline.

4.10 Construction of Alterations. In the event any future structure or building is planned for the Premises or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises, Airline shall comply with the notification and review requirements set forth in 14 C.F.R. Part 77.

4.11 Non-Exclusive Rights. This Agreement does not grant Airline any exclusive right or privilege within the meaning of 49 U.S.C. Section 40103(e) with respect to any activity on the Airport; provided, however, Airline shall have the right to exclusive possession of the Exclusive Use Space.

4.12 Airport Security.

(a) Security Requirements. Within 30 days of the Commencement Date, Airline shall submit the following to the Authority as required by the TSA Regulations: (i) Airline's security program; and (ii) a letter confirming insurance coverage.

(b) Unauthorized Access. Airline shall use reasonable precautions to prevent unauthorized persons from gaining access to restricted flight and aircraft operational areas.

(c) Security Checks. Airline shall comply with the TSA's background check requirements, including references and prior employment history, for all Airline employees, agents, representatives, and contractors who have unescorted access to the airfield side of the Airport security fence. Airline shall maintain records of background checks for such persons, and shall make such records available to the TSA and the Authority as may be requested from time to time.

(d) Violations by Airline. Upon receipt of any written notice from the Authority of a violation of the TSA Regulations by Airline, Airline shall promptly engage security personnel or undertake other necessary security procedures as reasonably requested by the Authority to cure such violation. Airline shall pay any fine or penalty imposed on the Authority by the TSA as a result of such violation.

4.13 Special Lift Equipment Requirements.

(a) Equipment. Airline shall acquire and maintain Disability Equipment sufficient to permit Airline to comply with federal and state laws regarding aircraft access by disabled persons. Disability Equipment shall be compatible with the aircraft and the other facilities and equipment used by Airline in its operations at the Airport.

(b) Training. Airline shall train, or cause to be trained, each Airline Party who maintains or operates Disability Equipment so as to assure the safe, proper, and efficient use.

(c) Passengers. Airline shall maintain, operate, and use Disability Equipment and provide all other necessary assistance in connection with boarding and unloading of disabled passengers in accordance with Disability Law. Airline shall use Disability Equipment in accordance with the manufacturer's specifications and in a safe, proper and efficient manner.

4.14 Commercial Ground Handling and Support. Any affiliate, subsidiary company, or third party that provides ground handling and support services to Airline shall be required to execute the Authority's Non-Exclusive License Agreement to Conduct Commercial Aviation Ground Handling and Support Services.

ARTICLE V CAPITAL IMPROVEMENTS

5.01 Review of Capital Improvements.

(a) Report. If the Authority decides to undertake a Capital Improvement, the Cost of which is to be funded by the inclusion of (i) the purchase price, (ii) the construction cost, (iii) the annual debt service on Bonds, or (iv) Signatory Airlines' lease payments, fees for use of the Common Use Space, or landing fees during any subsequent Fiscal Year(s), then the Authority shall submit a report on such Capital Improvement to Signatory Airlines. Such report shall be submitted at least 60 days prior to the expiration of the then current Fiscal Year and shall include the following:

- (1) A description of the proposed Capital Improvements, together with Cost estimates and any available preliminary drawings.
- (2) A statement of the need for such Capital Improvement.
- (3) A statement of the benefits to be derived from such Capital Improvement.
- (4) The allocation of the Cost to the various Airport Cost Centers.
- (5) The Authority's preferred means of financing the Cost.

(b) Approval Requirement. Except as provided in this Section, Capital Improvements identified in the report specified in paragraph (a) above shall be subject to approval by Signatory Airlines as provided in paragraph (c) below.

(c) Approval Process. In the event approval of a Capital Improvement is not withheld by a Majority-In-Interest of Signatory Airlines in accordance with this paragraph, the Authority may include the Cost for such Capital Improvement in the Rental and the Landing Fee Rate of Signatory Airlines.

(1) First Meeting. Within a reasonable time, but no sooner than 30 days after distribution of the report, the Authority shall convene a meeting of Signatory Airlines for the purpose of discussing and obtaining Signatory Airline's approval. The Capital Improvement shall be deemed approved unless approval is withheld in writing by a Majority-In-Interest of Signatory Airlines within 30 days of such meeting.

(2) Second Meeting. If the Capital Improvement is not approved at the first meeting, the Authority shall have the option to convene a second meeting of Signatory Airlines. Such second meeting shall be held within 45 days after the first meeting, upon notice by the Authority. At the second meeting, the Authority shall respond to questions raised during the first meeting and shall ask for reconsideration of the Capital Improvement. Upon reconsideration, the proposed Capital Improvement shall be deemed approved, unless approval is withheld in writing by a Majority-In-Interest of Signatory Airlines within 30 days of such meeting. If approval is so withheld, such Capital Improvement shall be deferred that Fiscal Year. The Authority may seek Signatory Airlines' approval of such Capital Improvement in a future Fiscal Year by repeating the process set forth in this paragraph.

(d) Small Project Exception. Approval by Signatory Airlines shall not be required in the case of a Capital Improvement if the Cost to be borne by the Authority does not exceed \$1,000,000; provided, however, the total Cost to be borne by the Authority of Capital Improvements not approved by the Signatory Airlines shall not exceed \$2,000,000 in any Fiscal Year. Capital Improvements described in paragraph (e) below shall not be included in making any such computation. It is understood that building and construction costs change from time to time. The limits specified in this Section may be adjusted by operating memorandum based on any change in such costs.

(e) Additional Exceptions. Approval by Signatory Airlines shall not be required in the case of a Capital Improvement, and the Authority may include the Cost of such Capital Improvement in the succeeding Fiscal Year's Rental and Landing Fee Rate for Signatory Airlines, if the Authority shall determine that such Capital Improvement is necessary or prudent to:

(1) Ensure compliance with a requirement of an Agency (exclusive of the Authority).

(2) Permit the continued operation, maintenance, and development of the Airport.

(3) Maintain or create functional capability at the Airport at a level that is required (i) by public health, safety or welfare or (ii) by the Bond Resolution for the security of Bonds.

(4) Satisfy judgments against the Authority rendered by a court of competent jurisdiction.

(5) Repair or replace Airport property damaged by casualty to a condition appropriate for the continued use of such property for its intended purpose.

(6) Acquire land to preserve the Airport or its operations.

5.02 Set Aside. Beginning with the first full Fiscal Year after the Commencement Date, the Authority shall set aside \$3 million in annual general purposes account deposits to allow for routine capital expenditures and other expenditures deemed necessary by the Executive Director. The amount of this set aside shall be increased by 3% each Fiscal Year. This discretionary account shall be funded up to a maximum balance not to exceed the then-current cap and included in the rate base for Signatory Airlines each year.

5.03 Replacement Passenger Terminal Program. As of the date of this Agreement, the estimated cost of the portion of the RPT Program — consisting of: (i) work on the northeast quadrant of the Airport (including construction of the replacement passenger terminal, roadways, parking facilities, apron and service and support facilities) and (ii) the demolition of the existing terminal and parking structure in the southeast quadrant of the Airport — is approximately \$1.25 billion. Airline affirms that it has participated, and it shall continue to participate, in good faith in meetings with the Authority and the RPT Program design-builder with regard to design and cost. Before the Commencement Date, the Authority shall furnish to Airline a report, substantially in the form set forth in Exhibit M, prepared by a consultant retained by the Airport summarizing the funding plan for the RPT Program and a five-year projection of the cost per enplaned passenger for the Airport.

ARTICLE VI RENTAL, CHARGES, AND FEES

6.01 Rental.

(a) Requirement. As rent for the lease of the Exclusive Use Space, Airline shall pay the amounts set forth in this Section (“Rental”).

(b) Monthly Rental. The monthly Rental will equal the sum of the following:

(1) the number of square feet of space (regardless of type of use) leased to Airline, multiplied by the then-current RPT Base Rate, and then divided by 12 (i.e., the number of months in a year), and

(2) the number of square feet of the Airline Support Facility leased to Airline, multiplied by the then-current ASF Base Rate, and then divided by 12.

(c) Payment. Rental shall be paid to the Authority monthly in advance, on or before the first day of each month, without notice or demand and without deduction or setoff.

(d) Adjustment. Rental shall be subject to adjustment as provided in Article VII.

6.02 Common Use Fees.

(a) Requirement. As compensation for the license to use the Common Use Space, Airline shall pay its share of the amounts set forth in this Section (“Common Use Fees”).

(b) Calculation.

(1) Not later than the last day of each month (including the month following expiration or termination of this Agreement), the Authority shall deliver to Airline an invoice setting forth the Common Use Fees and Airline’s share of such Common Use Fees for such month.

(2) The Common Use Fees for any month will equal: the total number of square feet of the Common Use Space, multiplied by the then current RPT Base Rate, and then divided by 12 (i.e., the number of months in a year).

(3) The Common Use Fees for each month shall be allocated among Signatory Airlines according to the Common Use Formula using passenger enplanement statistics for such month set forth in the respective reports delivered by Airline pursuant to Section 6.03(c)(2) and by other Signatory Airlines pursuant to their respective agreements with the Authority. In the event that any Signatory Airline, including Airline, fails to furnish the Authority with the passenger enplanement report for any month, the Common Use Fees for such month shall be determined by assuming that the total enplanements for such Signatory Airline during such month was the same as during the most recent month for which such figure is available. Any necessary adjustment in such Common Use Fees shall be calculated after an accurate report is delivered to the Authority by the applicable Signatory Airline for the month in question, and resulting surpluses or deficits shall be applied to the Common Use Fees for the next succeeding month after such accurate report is made available to the Authority.

(c) Payment. The Common Use Fees shall be paid to the Authority on a monthly basis, without deduction or set-off, within 15 days following the delivery of the invoice.

(d) Adjustment. Common Use Fees shall be subject to adjustment as provided in Article VII.

6.03 Landing Fees.

(a) Requirement. For the use of the facilities of the Airport other than the Exclusive Use Space and the Common Use Space, Airline shall pay monthly landing fees (“Landing Fees”).

(b) Landing Fee Rate.

(1) For each Fiscal Year, the Authority shall determine the Landing Fee Rate before the commencement of such Fiscal Year, in connection with the adoption of the related Annual Budget. The projected Landing Fees to be collected by the Authority based on this rate shall be sufficient to provide for the estimated expenses of the Airfield Cost Center (the “Airfield Area Requirement”) for the Fiscal Year.

(2) The Airfield Area Requirement for a Fiscal Year shall be calculated by totaling the following amounts:

(A) The estimated maintenance expenses, operating and administrative expenses, capital outlays, replacements, and renewals of the Airfield Cost Center for the Fiscal Year, as reflected in the Authority's Annual Budget.

(B) All amounts required by Bond Resolutions to be paid or set-aside (e.g., interest and principal payments on Bonds, debt service reserve fund deposits, operating reserve deposits) during the Fiscal Year that are allocable to the Airfield Cost Center.

(C) The estimated expense of services, if any, to be provided by the Cities of Burbank, Glendale, and Pasadena to the Airfield Cost Center for the Fiscal Year.

(D) Any Airport Expense, assessment, or charge for the Fiscal Year allocable to the Airfield Cost Center.

(E) Any deficiency in any Special Fund of the Authority, including for the accumulation to, and maintenance of, an amount of unencumbered cash (or cash equivalents) equal to 540 days of the Airport Daily Operating Requirement. Airport Daily Operating Requirement means the dollar amount necessary for the Authority to maintain operation of the Airport for one full day, assuming no revenue.

(F) Any adjustment pursuant to Section 5.01(e).

(G) Any deficit resulting from actual operations of the Airfield Area during the preceding Fiscal Year.

(H) An amount equal to the ASF Rate multiplied by the square feet of unleased space of the Airline Support Facility.

(3) The Airfield Area Requirement for a Fiscal Year shall be net of the following amounts:

(A) Estimated Non-Airline Revenue from the Airfield Cost Center for the Fiscal Year.

(B) Estimated Other Buildings and Area Cost Center net revenue (deficit) for the Fiscal Year.

(C) The amount by which the total Rental and Common Use Fees for the preceding Fiscal Year exceeded the Replacement Passenger Terminal Requirement for such Fiscal Year, as such Replacement Passenger Terminal Requirement was adjusted under Section 7.04(b).

(4) The Landing Fee Rate for a Fiscal Year shall be calculated by dividing the Airfield Area Requirement for such Fiscal Year by the estimated composite Maximum Gross Landing Weight of all Aircraft Arrivals of all Signatory Airlines during such Fiscal Year, as

estimated by the Authority, based upon estimates of use provided by the Signatory Airlines; provided, however, the Landing Fee Rate shall not be less than \$.00 per 1,000 pounds.

(c) Calculation.

(1) Airline's Landing Fees for a month shall be the product of the then applicable Landing Fee Rate multiplied by Airline's Total Landed Weight for the month.

(2) Airline shall furnish to the Authority on or before the 20th day of each month (including the month following expiration or termination of this Agreement) an accurate report of Airline's operations at the Airport during the preceding month, setting forth the Landing Fees owed for such month. Such report shall include: (A) Airline's total number of Aircraft Arrivals, by type of aircraft and Maximum Gross Landing Weight of each type of Aircraft; (B) the calculation of the Landing Fees for each type of aircraft and a total of the Landing Fees for that month as shown in the space provided on the report form; (C) the total number of Airline's enplaning and deplaning passengers; and (D) the amount, expressed by weight, of Airline's freight, mail and other cargo for such month. The Maximum Gross Landing Weight for each Aircraft Arrival shall be rounded up to the nearest 1,000 pound unit for Landing Fees computation. The current standard form for the report is set forth in Exhibit F. The Authority may change the standard form from time to time.

(3) In the event that Airline fails to furnish the Authority with a report for any month, Airline's Landing Fees for such month shall be determined by assuming that the Total Maximum Gross Landed Weight for Airline for such month was the same as during the most recent month for which such figure is available for Airline. Any necessary adjustment in such Landing Fees shall be calculated after an accurate report is delivered to the Authority by Airline for the month in question, and resulting surpluses or deficits shall be applied to Airline's Landing Fees for the next succeeding month after such accurate report is made available to the Authority.

(d) Payment. Airline shall pay Landing Fees to the Authority, without notice or demand and without deduction or setoff, no later than the first day of the second month following the month of Aircraft Arrivals to which the Landing Fees relate. For purposes of illustration, the Landing Fees for the month of January are due and payable by the following March 1.

(e) Adjustment. The Landing Fee Rate shall be subject to adjustment as provided in Article VII.

6.04 Passenger Facility Charge. Airline agrees to the Authority's imposition of a PFC at the Airport. Airline shall collect from its passengers the funds required by the Authority's PFC program and shall remit the same to the Authority in accordance with PFC Law and the Authority's PFC program.

6.05 Late Charge. Any payment not received from Airline on or before the due date shall be assessed a late charge at the rate of 1.5% per month, in addition to all other remedies available to the Authority with respect to such failure, including the provisions of Article XV. The late charge shall accrue the day after the payment due date and on a monthly basis thereafter.

6.06 Interest on Past Due Payments. Any amount due from Airline that is not paid within 10 days of the due date shall bear interest from the due date until paid at a rate equal to 5% in excess of the prevailing prime rate established by banks located in Los Angeles, California for pricing commercial loans, on the first day of the month during which such payment default begins (but not more than the maximum rate permissible by law); provided, however, that the payment of any late fee or interest pursuant to this Section shall not excuse or cure any default by Airline with respect to its obligations to pay any amount due from Airline.

6.07 Maintenance of Books and Records. Airline shall keep and preserve, during the term of this Agreement and for a period of 24 months following expiration or termination, full, true and accurate books of account and records of all Airline's aircraft landings at the Airport. Airline shall make such books and records available to the Authority's representatives for inspection and audit at the Airport during business hours.

6.08 Acceptance of Payments. The acceptance by the Authority of any payment made by Airline shall not preclude the Authority from verifying the accuracy of Airline's reports or from recovering any additional payment actually due from Airline.

6.09 Furnishing Information. Airline shall, upon request and to the greatest extent possible, furnish the Authority information regarding Airline's current or future operations (including forecasts) at the Airport. Except for consolidated statistics for all airlines, the Authority shall not release such information without first obtaining Airline's consent unless required to do so by law or to facilitate the sale of Bonds.

6.10 Changes in Scheduling. Airline shall, at the earliest date possible, but no later than 15 days prior to any change in schedule, discuss with the Authority its consideration of any changes to its schedule of operations or the type and series of aircraft used at the Airport. Such discussions shall be kept confidential unless disclosure is required by law.

6.11 Inspection and Audit. The Authority shall have the right from time to time to inspect and audit the books, records, and other data of the Airline relating to this Agreement. Audits shall be performed during business hours on reasonable notice and shall be at the Authority's expense except as provided in this Section. In the event that any audit determines that Airline has a deficiency in the amounts due and payable to the Authority, Airline shall pay to the Authority the deficiency so determined within 10 days after receipt of an invoice. In the event that the deficiency is more than 5% of the amounts paid by Airline with respect to the relevant category of charges (i.e., Rental, Common Use Fees, or Landing Fees, or additional rental pursuant to Section 6.12), Airline shall also pay to the Authority the cost of such audit within such 10 day period.

6.12 Additional Rental. The Authority, after reasonable notice to Airline, may cure any default of Airline. Airline shall reimburse all amounts paid or costs incurred by the Authority to cure any such default. Any amounts levied or assessed by the Authority for violations by Airline of the Noise Abatement Rules or the Airport Rules and Regulation shall be payable with the next succeeding installment of monthly Rental due under this Agreement.

6.13 Payments. All reports and payments required to be delivered or paid by Airline to the Authority pursuant to this Agreement shall be delivered to the Authority as set forth in Section 1.01, or to such other place as may be designated by the Authority.

6.14 Taxes.

(a) Airline shall pay all taxes (including any possessory interest tax or personal property tax), assessments, and charges that may be levied against Airline or become a lien by virtue of any levy, assessment, or charge against Airline by any Agency upon or in respect of the Premises or such Airport facilities as are made available for use by Airline, or in respect to or upon any personal property belonging to Airline situated on the Premises or any of the other Airport facilities. Payment of such taxes, assessments, and charges shall be made by Airline directly to the Agency with jurisdiction.

(b) Airline may, at its own expense, contest the amount or validity of any tax or assessment, or the inclusion of the Premises as taxable or assessable property, directly against the taxing or assessing Agency.

(c) Upon expiration or termination of this Agreement, all lawful taxes then levied, or that constitute a lien upon any of the Premises or such facilities of the Airport as are made available for use by Airline or any taxable interest therein, shall be paid in full by Airline.

ARTICLE VII

ADJUSTMENT OF RENTAL, JOINT USE FEES, AND LANDING FEE RATE

7.01 Effective Date of Adjustments. The Rental, Common Use Fees, and Landing Fee Rate shall be subject to adjustment as provided below. Such adjustments shall be effective on the first day of the Fiscal Year to which they apply, subject to Section 7.07.

7.02 Records of Airport Cost Centers.

(a) The Authority shall maintain accounting records that will reflect the following items for each of the Airport Cost Centers: (i) annual revenues; (ii) maintenance and operating expenses (including administrative expenses); and (iii) any other documented expenses of the Authority incurred for Airport purposes and charged to the Airport.

(b) The Authority shall further maintain records evidencing the allocation of capital funds obtained from the proceeds of Bonds or other capital fund sources to each Airport Cost Center. Included in the allocation to each Airport Cost Center shall be its proportionate share of the expenses of Bond issuance, capitalized interest and funding of Special Funds, determined with reference to the allocation of costs funded through Bonds or other capital fund sources. All state and federal funds received by the Authority with respect to any project or improvement at the Airport shall be deposited into the appropriate Special Fund.

7.03 Reports by the Authority.

(a) At least 120 days prior to the end of each Fiscal Year, Airline shall submit to the Authority, in writing, Airline's composite Maximum Gross Landing Weight forecast for the

succeeding Fiscal Year. The Authority shall include in each agreement with other Signatory Airlines a requirement that each such Signatory Airline submit a comparable report.

(b) If all Signatory Airlines have timely submitted such forecasts, at least 60 days prior to the end of such Fiscal Year the Authority shall submit to Signatory Airlines the following reports:

(1) The Authority's proposed Annual Budget for the succeeding Fiscal Year reflecting all estimated Airport maintenance, operating and administrative expenses and all proposed outlays for Capital Improvements at the Airport for the succeeding Fiscal Year which are not separately scheduled pursuant to Article V. The proposed Annual Budget shall include a statement of estimated Airport Revenue from all sources other than Signatory Airlines.

(2) A schedule of the principal and interest payments to accrue and Coverage to be applicable during the succeeding Fiscal Year in connection with the Bonds.

(3) A schedule of the Capital Improvements proposed for the succeeding Fiscal Year which will impact the Common Use Fees or the Landing Fee Rate.

(4) A preliminary calculation of the Common Use Fees and the Landing Fee Rate for the succeeding Fiscal Year.

(5) The amount proposed to be deposited into the set-aside account established under Section 5.02.

(c) Within 30 days after receipt of each report, a meeting shall be held among the Authority and Signatory Airlines, at which time Airline may present objections which it may have to the items within the applicable report (except objections within the scope of Article V). The Authority shall give due consideration to any suggestions, comments, or requests of Airline but shall retain absolute discretion to make all final decisions with respect to the reports.

(d) Before the beginning of the Fiscal Year, the Authority shall adopt an Annual Budget which shall include any revisions made as a result of the Authority's discussions with Airline regarding the reports relating to such Fiscal Year and as a result of the Authority's budget process. The Authority shall promptly furnish Airline with a copy of such approved Annual Budget together with the calculation of the Rental, Common Use Fees, and the Landing Fee Rate which shall be effective upon commencement of the Fiscal Year.

(e) If an Annual Budget for a Fiscal Year is not adopted by the Authority prior to commencement of such Fiscal Year, the Rental, Common Use Fees, and Landing Fee Rate in effect at the end of the preceding Fiscal Year shall remain in effect until: (i) the new Annual Budget has been adopted by the Authority; and (ii) the Authority has calculated the new Rental, Common Use Fees, and Landing Fee Rate. The new Rental, Common Use Fees, and Landing Fee Rate shall then be effective retroactively to the beginning of such Fiscal Year; provided, however, in the event that all Signatory Airlines submit timely forecasts as required by paragraph (a) above and the Authority does not submit to Signatory Airlines the reports listed in paragraph (b) above at least 60 days prior to the beginning of such Fiscal Year, the new Rental, Common

Use Fees, and the Landing Fee Rate shall only be effective retroactively to the date that the Authority does submit the reports or to the start of the Fiscal Year, whichever is later.

7.04 Adjustments of Rental and Common Use Fees.

(a) The Rental and Common Use Fees then in effect shall be subject to adjustment by the Authority in connection with the adoption of each Annual Budget to amounts sufficient to provide for the expenses of the Replacement Passenger Terminal Cost Center (the “Replacement Passenger Terminal Requirement”) for the Fiscal Year to which such Annual Budget relates. Whenever the adjustment calculation involves an estimate, the estimate of the Authority shall be used.

(b) The Replacement Passenger Terminal Requirement for a Fiscal Year shall be calculated by totaling the following amounts:

(1) The estimated amounts for maintenance, operating and administrative expenses, capital outlays, replacements, and renewals of the Replacement Passenger Terminal Cost Center for the Fiscal Year, as reflected in the Authority’s Annual Budget.

(2) All amounts required by Bond Resolutions to be paid or set-aside (e.g., interest and principal payments on Bonds, debt service reserve fund deposits, operating reserve deposits) during the Fiscal Year that are allocable to the Replacement Passenger Terminal Cost Center.

(3) The estimated expense of services, if any, to be provided by the Cities of Burbank, Glendale, and Pasadena to the Replacement Passenger Terminal Cost Center for the Fiscal Year.

(4) An amount determined by the Authority, equal to the total estimated deficit (or, if there is an estimated surplus, the total estimated surplus as a credit) resulting from actual operations of the Parking and Roadway Cost Center for the Fiscal Year.

(5) Any Airport Expense, assessment, or charge for the Fiscal Year allocable to the Replacement Passenger Terminal Cost Center.

(6) Any adjustment pursuant to Section 5.01(e).

(7) Any deficit resulting from actual operations of the Replacement Passenger Terminal during the preceding Fiscal Year.

(c) The Replacement Passenger Terminal Requirement for a Fiscal Year shall be net of the total estimated Non-Airline Revenue from the Replacement Passenger Terminal Cost Center for the Fiscal Year.

7.05 Authority Areas Cost Center.

(a) Except as expressly provided, Airline shall not be liable for any cost or expense incurred in connection with the development, operation, and maintenance of the Authority Areas,

and such costs and expenses shall not be a factor in any calculation or adjustment of Rental, Common Use Fees, or the Landing Fee Rate.

(b) The debt service on Bonds allocable to the acquisition by the Authority of those Authority Areas which are designated on Exhibit C as of the Commencement Date shall be taken into account in any adjustment of Rental, Common Use Fees, or the Landing Fee Rate. Debt service on Bonds issued to acquire additional property to be included in the Authority Areas Cost Center shall not be used as a factor in calculating future Rental, Common Use Fees, or Landing Fee Rates unless the Capital Improvement has been approved pursuant to Article V or otherwise agreed to, in writing, by a Majority-In-Interest of Signatory Airlines.

7.06 Disclosure of Financial Statements. For the purpose of keeping Airline informed as to Airport Revenue and Airport Expenses, the Authority shall make available to Airline the annual audit of its financial statements and its statements of revenues and expenses of the Airport. The Authority shall provide information as to the basis for allocation and the distribution of revenues and expenses not set forth in the statement of revenues and expenses or whose allocation is set forth in this Agreement. The Authority shall respond to questions raised by Airline as a result of Airline's review of the statement of revenues and expenses.

7.07 Extraordinary Adjustments of Landing Fee Rate.

(a) If, at any time Airport Revenue is insufficient to pay, when due, all items included in the reports prepared pursuant to this Article, or to pay any other Airport Expense, the Authority may, upon notice to Airline, immediately increase the Landing Fee Rate to such amount as is sufficient to assure that all such items, expenses, and costs shall be paid in full solely from Airport Revenue.

(b) In the event that total Landing Fees of all Signatory Airlines for any quarter vary by more than 10% from the projected total Landing Fees for such quarter, the Landing Fee Rate shall, if deemed necessary by the Authority, be adjusted for the balance of such Fiscal Year by an amount equal to the difference (between projected and actual total Landing Fees) divided by the estimated Maximum Gross Landing Weight of Aircraft Arrivals during the balance of such Fiscal Year.

(c) In the event that actual Airport Expenses exceed the projected Airport Expenses used to calculate the Landing Fee Rate for a Fiscal Year, or if actual Airport Revenue is less than projected Airport Revenue, Airline's proportionate share of the difference shall be charged to Airline's Landing Fee over the remaining billing periods in the Fiscal Year.

ARTICLE VIII MAINTENANCE

8.01 Airline's Responsibilities. Airline shall, at its sole cost and expense and in a manner acceptable to the Authority, perform all of the following:

(a) Maintain the Premises in a neat, clean, and orderly condition free from litter, debris, refuse, petroleum products, or grease that may result from activities of Airline or the Airline Parties.

(b) Remove all oil and grease spillage or other damage that is attributable to Airline's aircraft and other equipment.

(c) Perform ordinary preventative maintenance and ordinary upkeep of all facilities, personal property, and equipment including fixtures, doors, baggage conveyors and belts, floor coverings, ticket counters, and baggage examination and inspection facilities and other facilities within the Premises; provided, however, the Authority, at its own cost and expense, shall maintain the exterior portions of the walls and roof of the Premises and all central mechanical distribution systems in good repair and condition.

(d) Immediately repair any damage occasioned by the fault or negligence of Airline Parties.

(e) Promptly remove Airline's damaged or disabled aircraft from any area of the Airport (including any runways, taxiways, aprons, and gate positions) to such storage areas as may be designated by the Authority, following approval by the National Transportation Safety Board, the FAA, or other Agency having jurisdiction. Airline may store such damaged or disabled aircraft only for such length of time and upon such terms and conditions as may be established by the Authority. Should Airline fail to remove its damaged or disabled aircraft in accordance with this Section, the Authority may cause the removal and storage of such damaged or disabled aircraft, and Airline shall reimburse the Authority for all costs of such removal and storage.

8.02 Authority's Responsibilities.

(a) General. The Authority shall use reasonable efforts to keep, or make appropriate arrangements to keep, Public Areas adequately and attractively supplied, equipped, furnished and decorated, clean and presentable. Except as otherwise expressly provided, the Authority shall provide and supply in Public Areas and other areas of the Airport not otherwise subject to the exclusive use of the Airline or other Signatory Airlines, adequate signage, heat, electricity, light, power, air-conditioning, sewage, water and janitorial services (including waste removal). The Authority also shall provide field lighting, adequate to meet FAA standards, for all landing, taxiing, and ramp areas and also for all vehicular parking areas.

(b) Airline Obligations. The undertakings by the Authority under this Section shall not relieve any Airline Party or users of the Airport, including Airline, of any of their respective duties, obligations or responsibilities to maintain any property or facilities at the Airport or any

such Airline Parties' or users' respective duties, obligations or responsibilities to use due care in using Public Areas, Common Use Space, or other areas of the Airport.

8.03 Consortium Responsibilities.

(a) Upon the Authority's prior written approval, Signatory Airlines shall establish one or more consortiums to perform the following tasks at no less than IATA Level of Service "C" requirements:

(1) Operation and maintenance of the Equipment listed in the attached Exhibit J, baggage makeup areas and the inline explosive detection system (portion of which is not maintained by the TSA and subject to funding by TSA to include such system in the Replacement Passenger Terminal).

(2) Operation and maintenance of the CUPPS and the electrical charging system for ground equipment that serves the Replacement Passenger Terminal.

(3) Construction, operation, and maintenance of multi-user passenger boarding kiosks as part of the CUPPS.

(b) Consortium responsibilities shall include: operations; preventative maintenance; repair; replacement; cleaning; spare parts management; and on-call response and service.

8.04 Waiver. The Authority shall not be liable to any Airline Party for loss or damage occasioned by flood, fire, earthquake, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke, vandalism, malicious mischief, civil authority or any other cause beyond the reasonable control of the Authority.

ARTICLE IX ALTERATIONS AND IMPROVEMENTS

9.01 Construction.

(a) Airline shall not, without in each instance obtaining the prior written consent of the Authority, which consent may be granted or withheld in the Authority's sole and absolute discretion, construct, install or make any modifications, alterations, improvement, or additions ("Alterations") in, on or to the Premises. Airline shall submit a written request of the proposed Alterations ("Tenant Improvement Request") to the Authority. A current standard form of Tenant Improvement Request is set forth in Exhibit G. The Authority may change such standard form from time to time.

(b) Alterations to the Premises approved by the Authority ("Approved Alterations") shall be subject to conditions imposed by the Authority in its sole discretion. Such conditions may include requirements as to the contractor, time, manner, method, design and construction in which the Approved Alterations shall be done.

(c) No Approved Alterations shall be undertaken until Airline shall have procured and paid for all permits, licenses, approvals and authorizations of all required Agencies having

jurisdiction thereof and the Authority's written consent to commence work. Prior to the commencement of any Approved Alterations, Airline shall comply with the Authority's instructions and requirements set forth in the Tenant Improvement Request. All plans shall be subject to the Authority's approval and, when required by the Airport Engineer, shall be prepared, stamped and signed by a State-licensed architect or engineer. Engineers shall be licensed for the particular discipline required.

(d) All work done in connection with any Approved Alterations shall be done at Airline's sole expense and with reasonable diligence, in a good and workmanlike manner, and in compliance with applicable laws. In order to expedite plan review and approval and to ensure that the proposed Approved Alterations will be compatible with the Airport uses, Airline first shall submit to the Authority for approval a schematic or conceptual plan. The Authority shall have the right to inspect and reject any work not done in accordance with the plans and specifications approved by the Authority, and Airline shall immediately repair or remove such work. Within 30 days following the completion of any Approved Alterations, Airline shall furnish to the Authority a set of "as built" plans and specifications.

(e) Airline's construction or installation of Approved Alterations shall not extend the term of this Agreement.

9.02 Assignment. Airline assigns to the Authority any and all warranties or guaranties of contractors and subcontractors furnishing labor, materials, equipment, and services in connection with the Approved Alterations, which assignment shall be effective upon the expiration or termination of this Agreement.

9.03 Payment. Airline shall pay, when due, all claims for labor, materials, equipment and services furnished or alleged to have been furnished to or for Airline at or for use in the Premises or any other areas of the Airport, which claims are or may be secured by any lien against the Premises or any other areas of the Airport. In the event any such lien is filed against the Premises or any other areas of the Airport in connection with Approved Alterations, it shall be discharged by Airline, at Airline's expense, within 10 days after written notice is delivered to Airline. The Authority shall have the right to post such notices of nonresponsibility as are provided for in the mechanics' lien laws of the State.

9.04 Authority's Property. Upon the Expiration Date, except for personal property and trade fixtures not permanently affixed to the Premises, all Approved Alterations made by or on behalf of Airline shall become the Authority's property and shall be surrendered with the Premises, unless the Authority shall elect otherwise not less than 15 days prior to the Expiration Date. In the event of such election, such Approved Alterations made by or on behalf of Airline in the Premises, as the Authority may select, shall be removed by Airline, at its sole cost and expense prior to the Expiration Date, and the Premises shall be restored and repaired to the condition existing as of the Effective Date, subject to reasonable wear and tear, casualty and damage by the elements.

ARTICLE X ASSIGNMENT OR SUBLEASE

10.01 Assignment or Sublease.

(a) Unless previously agreed to in writing by the Authority, Airline shall not voluntarily assign, transfer, sublease, convey, mortgage, grant a security interest in, hypothecate, or otherwise encumber all or any part of Airline's rights or interest in or to the Premises or this Agreement or take any action which results in any of the foregoing by operation of law. Any attempted assignment, sublease, transfer, conveyance, mortgage, hypothecation, grant of a security interest in, or other encumbrance in violation of this Section shall be wholly void.

(b) The occurrence of any of the following shall be deemed to be a prohibited assignment, sublease, transfer, conveyance, mortgage, hypothecation, grant of a security interest or other encumbrance under this Section.

(1) If Airline is a corporation, any assignment, transfer, conveyance, mortgage, hypothecation, grant of a security interest in or other encumbrance or other event that results, or upon foreclosure would result, in the reduction of the interest of the present shareholders of record (as of the execution of this Agreement) to less than a majority of any class of voting stock of Airline.

(2) If Airline is a partnership, any assignment, transfer, conveyance, mortgage, hypothecation, grant of security interest in partnership interest or other encumbrance or other event that results, or upon foreclosure would result, in the reduction of the profit and loss participation of the present general partners (as of the execution of this Agreement) to less than 51%.

(3) If Airline is a corporation, partnership, trust or other entity, any change in the direct or indirect power to direct or cause the direction of the management and policies of such business or entity

ARTICLE XI DAMAGE OR DESTRUCTION

11.01 Repairable Damage. Should the Premises be damaged by fire or other casualty not caused by any Airline Party, and if the damage is repairable within a reasonable time from the date of the occurrence, the space shall be repaired with due diligence by the Authority; provided, however, the Authority will exert its reasonable effort to provide Airline with temporary substitute space, if available, until such time as the repairs are completed.

11.02 Complete Destruction. Should the Premises be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot, in the opinion of the Authority, be repaired within a reasonable time after the occurrence, the Authority shall have the option to terminate this Agreement to the extent that it shall apply to the affected building, rooms or other space. In the event that this Section shall become applicable, the Authority shall advise Airline within 60 days after the happening of any such damage whether the Authority has elected to continue the Agreement in effect as to the space damaged or destroyed or to terminate

it. If the Authority shall fail to notify Airline of its election within such 60 day period, the Authority shall be deemed to have elected to terminate this Agreement as to the space damaged or destroyed, and the Agreement shall automatically terminate as to such space 90 days after the occurrence of the damage. If the Authority shall elect to continue this Agreement in effect with respect to such damaged space, it shall commence and prosecute with due diligence any work necessary to restore or repair the space; provided, however, the Authority will exert its reasonable efforts to provide Airline with temporary substitute space, if available.

11.03 Waiver by Airline. Airline waives the provisions of Civil Code Sections 1932, 1933, and 1941 through 1942, and of any other law that is contrary to or relieves the obligations of Airline under this Agreement, or that places upon the Authority obligations in addition to those provided for in this Article.

ARTICLE XII INSURANCE

12.01 Obligation to Maintain Insurance. Airline shall maintain in effect the insurance coverage and limits of liability as provided in this Article (“Required Insurance”). In the event that Airline fails to maintain any of the Required Insurance, the Authority shall have the right (but not the obligation) to obtain some or all of the Required Insurance at Airline’s sole expense. In addition, the Authority, at its election, exercised by delivery to Airline of written notice, shall have the right to maintain some or all of the Required Insurance provided that: (i) the Authority reserves the same right in all new or renewal Airport use agreements; and (ii) the cost to Airline of insurance maintained by the Authority does not exceed the cost of such insurance if obtained by Airline. In the event the Authority elects to maintain some or all of the Required Insurance, either because of Airline’s failure to provide Required Insurance or the Authority’s election to provide some or all of the Required Insurance, Airline shall pay to the Authority its proportionate share of the premiums for all Required Insurance maintained by the Authority within 10 days following the delivery to Airline of each written statement setting forth the amount of such premiums and the applicable premium period.

12.02 Liability and Workers’ Compensation Coverages. Airline shall maintain in effect insurance protecting Airline and each Authority Party from and against claims arising out of, resulting from, or relating to the conduct by Airline of its business of Air Transportation and otherwise relating to Airline’s use of the Airport pursuant to this Agreement as follows:

(a) Comprehensive Airline Liability Insurance. Comprehensive Airline liability covering bodily injury, death, property damage and passenger liability insurance, including war and allied perils coverage under extended coverage endorsement AVN52D or equivalent, airport premises and operations liability, aircraft liability, contractual liability, products and completed operations liability and independent contractors liability, all written on an occurrence basis in an amount not less than \$300,000,000 combined single limit for bodily injury, death, property damage and passenger liability each occurrence and each aircraft, and, with respect to products and completed operations liability, in the annual aggregate, and, provided that Airline has complied with the requirements of subsection (b) below, as respects the coverage provided for bodily injury and property damage under extended coverage endorsement AVN52D or equivalent (war and allied perils coverage), subject to a sub-limit of \$25,000,000 any one

occurrence and in the annual aggregate, as respects non-passenger third-party liability only, within the full policy limit and not in addition thereto.

(b) FAA Insurance. So long as the FAA is issuing war risk insurance for aircraft hull, passenger, crew, and third-party liability as representative of the United States of America under 49 U.S.C. Ch. 443, Airline shall obtain and maintain the maximum amount of coverage available to Airline from the FAA or other available sources. During the period that such FAA insurance is available to Airline, the provisions of Section 13.02 shall apply.

(c) Automobile Liability Insurance. Automobile liability insurance covering all owned, non-owned, and hired vehicles written on an occurrence basis in an amount not less than \$5,000,000 combined single limit for each occurrence for bodily injury, death and property damage.

(d) Workers' Compensation and Employer's Liability Insurance. Workers' compensation insurance written in accordance with California statutory limits and employer's liability insurance, in amounts not less than the following:

- (1) Bodily injury by accident - \$5,000,000 - each accident
- (2) Bodily injury by disease - \$5,000,000 - policy limit
- (3) Bodily injury by disease - \$5,000,000 - each employee

The employer's liability insurance shall not contain an occupational disease exclusion.

(e) War Risk Liability Coverages. All policies of liability insurance shall include war risk liability extensions.

12.03 Property Insurance. Airline shall maintain in effect property insurance written on an all risk of direct physical loss basis covering Airline's fixtures, tenant improvements and betterments, personal property, and equipment located at the Airport in an amount not less than 100% of the replacement value thereof. The proceeds of such insurance shall be used to repair or replace the insured property. Airline shall also maintain in effect aircraft physical damage insurance (aka hull insurance) covering all aircraft operated by Airline against "All Risks" of loss or damage in an amount not less than 100% of the replacement value thereof.

12.04 Business Interruption Coverage. Airline shall maintain in effect business interruption insurance, insuring against damage or economic loss caused by any interruption of Airline's business of Air Transportation or use of the Airport due to an insured peril in an amount at least equal to the sum of the then current annual Rental, Landing Fees, Common Use Fees, and PFC charges required to be paid by Airline to the Authority.

12.05 Adjustment of Required Insurance. Airline acknowledges that the types and amounts of Required Insurance may become inadequate. Airline shall add such insurance or coverage and increase such minimum limits of liability by such amounts as may be required at any time by the Authority, if the Authority shall adopt a resolution or other written policy requiring such additional insurance coverage or limits of liability from Signatory Airlines.

12.06 Policy Requirements. Each policy of Required Insurance shall be obtained from an insurance company, or pool of multiple insurance companies, each authorized to conduct business in the State and having a rating of not less than A-X in A.M. Best's Insurance Guide or otherwise acceptable to the Authority. Within 10 days prior to the Commencement Date and 10 days prior to policy renewal dates thereafter, Airline shall deliver to the Authority certificates of insurance issued by the insurance companies and evidencing that all Required Insurance has been obtained and is being maintained by Airline, together with copies of endorsements: (i) requiring the insurers to give to the Authority at least 30 days' prior written notice of the cancellation or non-renewal of any Required Insurance; (ii) with respect to the "all risk" property insurance, naming the Authority as a loss payee; (iii) providing that all Required Insurance is primary insurance without right of contribution of any other insurance carried by or on behalf of any Authority Party; (iv) requiring insurers to provide a waiver of subrogation in favor of Authority Parties; and (v) with respect to the comprehensive airline liability, automobile liability and employer's liability insurance, naming (A) Airline and the Airline Parties as named insureds, and (B) except for workers' compensation insurance, all of the Authority Parties as "additional insureds." Unless otherwise approved in writing by the Authority, the definition of "additional insured" and the coverage of the Authority as an additional insured under Airline's liability insurance policies shall be as provided in the 1997 Insurance Services Office CG 20 10 Additional Insured endorsement. The failure of Airline to provide such certificates of insurance, together with such endorsements, or, if a notice of cancellation or non renewal of any Required Insurance has been delivered to Airline, the failure of Airline to replace the Required Insurance which is the subject matter of such notice of cancellation or non renewal prior to the effectiveness of such cancellation or non renewal, shall in either case constitute a Default Event. In no event shall any Authority Party be responsible or liable for the payment of any premiums for the insurance required to be obtained and maintained by Airline.

12.07 No Limitation of Liability. Airline acknowledges and agrees that the limits of liability provided in the Required Insurance shall in no event be considered as limiting the liability of Airline under this Agreement.

ARTICLE XIII INDEMNIFICATION

13.01 General. In addition to any other claim or indemnity under this Agreement, or by operation of law to which the Authority is entitled to, to the fullest extent permitted by law, Airline shall defend, indemnify, and hold harmless the Authority Parties from and against any and all Claims arising out of, resulting from, relating to, or in connection with this Agreement, the conduct of Airline's Air Transportation business or operations at the Airport, or use of the Premises or other areas of the Airport by Airline or any Airline Party, including any violation of the Noise Abatement Rules, TSA Regulations, Airport Rules and Regulations, or Disability Law or arising out of, resulting from or relating to any Approved Alteration or other improvement, alteration or facility constructed, installed or made by Airline on the Premises.

13.02 War Risk Indemnification. During the period that the FAA makes available to Airline war risk insurance coverage as described in Section 12.02(b), to the fullest extent permitted by law, Airline shall release, indemnify, defend, and hold harmless the Authority Parties from and against any and all Claims, which in any way arise out of or result from flight activities of

Airline, the screening, ticketing, boarding or transporting of passengers by Airline, the use or occupancy by Airline of any space or facilities at the Airport or the performance of services by the Authority for the use or benefit of Airline, including injury to or death of any person, damage to or destruction of any property, real or personal (including property owned, leased, or under the control of Airline), and liability or obligations under or with respect to any violation of law, but in all cases only to the extent that: (i) such Claims are not covered by other insurance of the Authority; and (ii) coverage in the form of war risk insurance under the Airline's insurance policies as required by Sections 12.02(a) and 12.02(c), including extended coverage endorsement AVN52D and/or insurance provided by the FAA as described in Section 12.02(b) is available to Airline. Airline's indemnification obligations shall apply regardless of whether or not the damage, loss or injury complained of arises out of or relates to the negligence (whether active, passive or otherwise) of, or was caused in part by, an Authority Party. Airline's indemnification obligations shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits paid or payable by Airline under workers' compensation laws, disability benefits acts or other employee benefit laws or regulations.

13.03 Exculpation of the Authority from Liability. Airline, on behalf of itself and the Airline Parties, waives any and all Claims against the Authority Parties, and the Authority Parties shall not be liable for any Claim arising out of, resulting from, relating to, or in connection with any cause whatsoever, including: (i) latent or patent defects in the construction or condition of the Airport, including any Contamination; (ii) fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Airport; (iii) flood, fire, earthquake, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke, vandalism, malicious mischief, civil authority or any other cause beyond the reasonable control of the Authority; (iv) breakage, leakage, obstruction or other defects of the pipes, wires, appliances, plumbing, heating, ventilation and air conditioning systems, or lighting fixtures of or serving the Airport; (v) the use of the Airport by any Airline Party, whether such damage or injury results from conditions arising upon the Airport, or from other sources; or (vi) any damage or loss arising from any negligent acts or omissions or willful misconduct of any other tenant, licensee, concessionaire or customer of the Airport or any other person or entity; except to the extent any of the foregoing arises from the gross negligence or willful misconduct by the Authority.

13.04 Survival. Airline's indemnification obligations under this Article shall survive expiration or termination of this Agreement.

ARTICLE XIV EMINENT DOMAIN

14.01 Entire or Substantial Taking. In the event that the Premises or any other portion of the Airport, or so much thereof as to make the balance not reasonably adequate for the conduct of Airline's business of Air Transportation, shall be taken under the power of eminent domain, this Agreement automatically shall terminate as of the date of the vesting of title in such condemning entity.

14.02 Partial Taking. In the event of any taking under the power of eminent domain that does not result in a termination of this Agreement pursuant to Section 14.01, the Authority and Airline

shall each, at its own expense, promptly modify the Premises or remaining portion of the Airport for which they are obligated hereunder, so that it will as much as reasonably possible serve the same function as before, and this Agreement shall continue in full force and effect.

14.03 Awards. Any award for any taking of all or any part of the Premises or any other areas of the Airport under the power of eminent domain shall be the property of the Authority, whether or not such award shall be made as compensation for diminution in value for the taking of the fee. This Section shall not be deemed to preclude Airline from obtaining, or as giving the Authority any interest in, any award to Airline for loss of or damage to Airline's trade fixtures and removable personal property or damages for cessation or interruption of Airline's business. In determining the value of Airline's business, all goodwill attributable to the location of the business shall belong to the Authority and Airline's business shall be valued based solely upon its operating results.

14.04 Condemnation by the Authority. Nothing in this Agreement shall impair, limit or otherwise affect the power of eminent domain of the Authority or the exercise of such power by the Authority.

ARTICLE XV DEFAULT AND REMEDIES

15.01 Default Events. Each of the following shall constitute a Default Event:

(a) (i) The voluntary or involuntary appointment of a receiver, trustee or liquidator to take possession of all or substantially all of the assets of Airline when such appointment is not dismissed, terminated or vacated in 60 days; or (ii) a general assignment by Airline for the benefit or protection of creditors; or (iii) Airline's admission of its inability to pay its debts as they become due; or (iv) any action taken against or suffered by Airline under any statute relating to insolvency, bankruptcy, reorganization, arrangement, composition, liquidation, dissolution or other relief for debtors; unless, in the case of an involuntary petition filed against Airline to have Airline adjudged a bankrupt or for reorganization or arrangement, the petition is dismissed within 60 days.

(b) Any attachment, execution, distraint, judicial seizure, or other process of law pursuant to which Airline's rights or interest in the Premises or this Agreement may be taken, occupied or used by anyone other than Airline, when such attachment, execution, distraint, judicial seizure, or other process of law shall not be released, dismissed or stayed within 90 days.

(c) An attempted or purported assignment, sublease, transfer, conveyance, mortgage, grant of security interest, hypothecation or other encumbrance of all or any part of Airline's rights or interests under this Agreement or in the Premises in violation of Article X.

(d) Vacation or abandonment of the Premises or of possession of the Premises, except in conjunction with the exercise by Airline of any express right of Airline to terminate this Agreement.

(e) The failure by Airline to cure a violation of the Security Requirements within 30 days of Airline's receipt of the notice described in Section 4.06(d).

(f) The failure by Airline to pay any amount when due, where such failure to pay continues for 10 days following the date that such amount was due.

(g) Any violation by Airline of a provision of Article XII.

(h) The failure by Airline to maintain in effect all licenses, permits, approvals, authorizations and registrations required by law.

(i) The failure by Airline to comply with the Airport Rules and Regulations within 30 days of Airline's receipt of the notice described in Article XXI.

(j) Any violation by Airline of the Noise Abatement Rules; provided, however, that Airline may cure any such default within 24 hours after written notice by the Authority to Airline of such default, or, if the cure of such default is not in the opinion of the Authority reasonably susceptible to cure within 24 hours, Airline may cure such default within 20 days of the delivery of such written notice of default.

(k) Any violation by Airline or any of its agents or employees of any Environmental Law.

(l) The failure by Airline to replenish the Security Deposit within 10 days of Airline's receipt of the notice described in Section 25.02.

(m) (i) The occurrence of any non-curable default in the keeping or performance of any provision of this Agreement to be kept and performed by Airline other than those described in subsections (a) through (l) of this Section, or (ii) failure to remedy any curable default in the keeping or performance of any other provision of this Agreement to be kept and performed by Airline other than those described in subsections (a) through (l) of this Section (A) within a period of 30 days after the delivery to Airline of written notice of such default (or, in the event such curable default is of such a nature as to reasonably require more than 30 days to cure, if Airline shall fail to commence such cure within such time or thereafter fails diligently to prosecute the same to completion), or (B) immediately in the event of an emergency.

(n) The occurrence and continuation of any default, breach or non-performance by Airline under this Agreement or any other written agreement between the Authority and Airline, or by Airline or Sub-Contractor under the Equipment Maintenance Agreement, after giving effect to any applicable grace period, notice requirement or opportunity to cure such default, breach or non-performance.

15.02 Remedies. Upon the occurrence and continuance of any Default Event by Airline, the Authority may:

(a) Terminate Airline's right to possession of the Premises by notice to Airline, in which case this Agreement shall terminate and Airline shall immediately surrender possession of the Premises to the Authority. In such event, the Authority shall be entitled to recover from Airline:

(1) The unpaid amounts (including late charges and interest) payable by Airline under this Agreement which have accrued to the date of termination;

(2) The worth at the time of termination of the Rental which would have accrued under this Agreement from the date of termination until the Expiration Date less the worth at the time of termination of the amount of such Rental loss that Airline proves could have been reasonably avoided; and

(3) Any other amount necessary to compensate the Authority for all damages and losses proximately caused by Airline's failure to perform its obligations under this Agreement including the cost of recovering possession of the Premises, expenses of reletting (including advertising), brokerage commissions and fees, costs of putting the Premises in good order, condition and repair, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, court costs, all costs for maintaining the Premises, all costs incurred in the appointment of and performance by a receiver to protect the Premises or the Authority's interest under the Agreement and any other reasonable cost.

(b) Pursue any other remedy now or hereafter available to the Authority under the laws of the State, including the remedy provided in Civil Code Section 1951.4, to continue this Agreement in effect and enforce all rights and remedies under this Agreement, including the right to recover amounts payable by Airline hereunder as it becomes due, even though Airline has breached this Agreement and abandoned the Premises or failed to take possession of the Premises upon tender thereof by the Authority. In the event Airline fails to take possession of the Premises and commence payment of amounts due, the Authority shall have all of the rights and be entitled to recover from Airline all of the damages described in this Section.

(c) If the Authority terminates this Agreement pursuant to paragraph (a), unless and until removed in accordance with Section 2.04, take exclusive possession of all of Airline's fixtures, furniture, equipment, improvements, additions, alterations and other personal property on the Premises or other areas of the Airport, and to use the same, without rent or charge, until all defaults are cured, or, at its option, to require Airline to forthwith remove to same.

(d) The "worth at the time of termination" of an amount referred to in Section 16.02(a)(ii) shall be computed by discounting such amount at one percentage point above the discount rate of the Federal Reserve Bank of San Francisco at the time of termination.

15.03 Waiver. Airline waives all claims and demands against the Authority for damages or loss arising out of or in connection with any re-entering and taking possession of the Premises.

15.04 Waiver of Redemption. In the event of the lawful exercise by the Authority of any one or more of its rights and remedies hereunder, Airline waives any and all rights of redemption or relief from forfeiture under Code of Civil Procedure Section 1174 or 1179, or granted by or under any present or future laws, and further releases the Authority from any and all claims, demands and liabilities by reason of such exercise by the Authority.

15.05 Cumulative Remedies. The various rights and remedies reserved to the Authority shall be cumulative, and, except as otherwise provided by law, the Authority may pursue any or all such rights and remedies, whether at the same time or otherwise, and no single right shall be

deemed to be exclusive of any of the other or of any right or remedy allowed by law or in equity. No delay or omission of the Authority to exercise any right or remedy shall be construed as a waiver of any such right or remedy or waiver of any Default Event.

15.06 Performance of Airline's Covenants by the Authority. In the event that Airline at any time fails to make any payment or perform any other act under this Agreement, the Authority shall have the right, but not the obligation, immediately or at any time thereafter, without notice or demand and without waiving any right or releasing Airline from any obligation to the Authority, to make such payment or perform such other act for the account of Airline, to the extent the Authority may deem desirable. In connection therewith, the Authority may pay reasonable expenses and employ counsel in instituting, prosecuting or defending any action or proceeding under this Agreement. All sums so paid by the Authority and all expenses incurred in connection therewith, together with interest thereon at the annual rate specified in Section 6.06, shall be payable to the Authority on demand.

15.07 Excuse of Performance by the Authority. The Authority shall be under no obligation to observe or perform any covenant of this Agreement on its part to be observed or performed for the benefit of Airline, which accrues after the date of any Default Event, unless and until such Default Event is cured by Airline or waived by the Authority.

15.08 Default by the Authority. The Authority shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligation for 30 days following the delivery by Airline to the Authority of written notice specifying the obligation the Authority has failed to perform; provided, however, in the event that the nature of the Authority's obligation is such that more than 30 days are required for its performance, the Authority shall not be deemed to be in default if it shall commence such performance within such 30 day period and thereafter diligently prosecutes the same to completion. In the event of the Authority's default under this Agreement, subject to the notice and cure provisions described above in this Section, Airline's sole remedy shall be to terminate this Agreement with no further obligation or liability by either party.

ARTICLE XVI ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION

16.01 Hazardous Substances and Environmental Compliance.

(a) Airline shall carry no Hazardous Substances onto the Airport that are not permitted by law to be carried by passenger aircraft except those items required to maintain Airline's aircraft.

(b) Airline shall comply with all Environmental Law and shall not engage in any activity on or about the Airport that violates any Environmental Law. In conducting its operations and maintenance on the Airport, Airline shall comply with such regulations regarding the storage, distribution, processing, handling, and disposal, including Storm Water discharge requirements, of Hazardous Substances including gasoline, aviation fuel, jet fuel, diesel fuel, lubricants and/or solvents, regardless of whether the obligation for such compliance is placed on the owner of the land, owner of the improvements or user of the improvements.

(c) Airline shall at its own expense take all investigatory and remedial action required or ordered by any Agency or Environmental Law for clean-up and removal of any Contamination caused by Airline or an Airline Party.

(d) Airline shall not allow or cause the entry of any Hazardous Substances under its control into the Airport Storm Water drainage system unless authorized by Environmental Law and the Airport's Storm Water discharge permit. Airline shall not allow or cause the entry of any unauthorized Non-Storm Water Discharge that is under its control into the Storm Water drainage system of the Airport or into the Storm Water drainage system of any of its surrounding communities, unless such substances are first properly treated by equipment installed with the approval of the Authority for that purpose, and Airline complies with recommendations made by the State and/or federal Environmental Protection Agency and the Airport's Storm Water discharge permit requirements. Airline shall bear all costs and any other expenses related to the prohibited entry of such oil, fuel or other Hazardous Substances into such drainage systems prohibited by Environmental Law.

(e) Airline shall provide all notices required pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code Section 25249 et seq. Airline shall provide prompt written notice to the Authority within five days of receipt of all written notices of violation of any Environmental Law received by Airline.

16.02 Environmental Indemnification.

(a) To the fullest extent authorized by law, the Airline shall indemnify, defend, and hold harmless the Authority Parties from and against any and all Environmental Law Claims arising out of any actions by the Airline, the Airline's operations at the Airport or any action arising from and which involve any Airline Party, including the following:

(1) Airline's placing, disposing, allowing or releasing of Hazardous Substances upon or within the Airport including any such claims, demands, liabilities and/or obligations related to Airline's release of Hazardous Substances on the Airport since the time Airline first occupied the Airport.

(2) Airline's release of Hazardous Substances upon or within the Airport.

(3) Airline's violation of any Environmental Law, except that Airline's obligations under this paragraph shall not extend to known conditions that are, as of the date of this Agreement, the subject of investigation and remediation by Lockheed or others, or remediation conditions that arise from operations of third parties that are not affiliated with Airline that take place off of the Airport. A party shall be deemed to be affiliated with Airline if it is an employee, officer, director, agent, subtenant, contractor or subcontractor of Airline or if it is controlled by, or under common control with, Airline.

(4) Airline's causing or allowing any prohibited discharge into the Airport Storm Water drainage system that is prohibited by Section 16.01.

(b) This indemnification includes reasonable attorney's fees/costs and other costs incurred by the Authority in connection with any investigation of site conditions or any cleanup,

remedial, removal or restoration work required by any Agency because of any Hazardous Substances being present in the soil or groundwater under the Airport. However, Airline's indemnity obligation shall not apply in the event of any claims for any loss, damage or expense arising from the sole or active negligence or willful misconduct of the Authority or agents, servants or independent contractors who are directly responsible to the Authority.

(c) In the event the indemnitees described hereinabove are named as defendants or respondents in any lawsuit or administrative proceeding, Airline shall, at the request of the Authority, represent the indemnitee with qualified counsel that the Authority determines, in its sole and exclusive discretion, is acceptable, unless the Authority, at its sole and exclusive discretion, undertakes legal representation, in which event the Airline shall reimburse the Authority for the reasonable costs incurred by it in defending such lawsuit or administrative proceeding, including reasonable attorney's fees, expert and consultant's fees, and investigative and court costs.

(d) In the event that a monetary judgment is awarded against the Authority and the Airline because of the concurrent negligence of the Authority and the Airline or their respective officers, subcontractors, or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither party shall request a jury apportionment.

(e) The rights and obligations of the parties set forth in this Article shall survive expiration or termination of this Agreement.

16.03 Disclosure.

(a) Airline shall keep sufficient records such that, within 15 days of the Authority's written request, Airline shall submit to the Authority the following documents: (i) an inventory or list of all compounds or products that contain Hazardous Substances which were used, stored or disposed of by each Airline Party on or about the Airport during the prior year, (ii) all Material Safety Data Sheets for such compounds or products containing Hazardous Substances, (iii) an estimate of the quantity or volume of such products or compounds used, stored or disposed of on or about the Airport during the prior year, and (iv) copies of all hazardous waste manifests for wastes generated on the Airport and sent offsite for treatment, storage, disposal or recycling.

(b) Delivery of Documentation. Airline shall deliver to the Authority true and correct copies of the following documents related to compliance with Environmental Law concurrently with the receipt from or submission to an Agency: (i) permit applications; (ii) permits and approvals; (iii) notices of violations of Environmental Law and Airline's responses thereto; (iv) environmental assessments, and (v) any other documents related to compliance with Environmental Law that the Authority may reasonably request from time to time.

(c) Notice. If any Airline Party is required by law to give notice to any Agency about any Contamination, Airline shall immediately give notice of such Contamination to the Authority's Director of Noise and Environmental Affairs or such other person as may be designated by the Authority. Notice shall be provided immediately by telephone at (818) 840-8840 and shall be confirmed by written notice not later than the next business day. This

obligation to notify the Authority shall also extend to any personal injuries or property damage to third parties resulting directly or indirectly from such Contamination. If Airline becomes aware of the presence of or use of any Hazardous Substances not authorized in accordance with the terms of this Agreement, or of any Contamination not subject to the notification provisions of the first sentence of this Section, Airline shall immediately give written notice of such condition to the Authority to the extent required by Health and Safety Code Section 25359.7.

16.04 Annual Site Investigation. Without limiting its other rights with respect to the Premises, the Authority shall have the right, but not the obligation, to conduct annually an environmental inspection and assessment of the Airport during each year of the term of this Agreement, and to utilize the services of an environmental consultant or consulting firm for such inspection and assessment. Airline shall pay its share (as determined by the Authority) of the reasonable cost of each such annual inspection of the Airport. If the environmental inspection and assessment of the Airport discloses the existence of any Airline Contamination, Airline shall take any and all action as provided in Section 16.01. In the event that the Authority elects not to conduct an annual environmental inspection and assessment, or if the Authority's environmental inspection and assessment fails to discover or disclose any Airline's Contamination, Airline shall not be excused from performing its obligations or relieved from liability to the Authority under this Article.

16.05 Air Quality Improvement Plan. Airline shall comply with the following provisions of the Authority's Air Quality Improvement Plan:

(a) Ground Support Equipment Emissions Policy. Airlines and other entities own and operate GSE to support arriving, departing, and parked aircraft at the Airport. The Authority's GSE policy will ensure that the Authority achieves airport-wide GSE emissions targets. Airline will use commercially available efforts to achieve an airport average composite emissions factor for its GSE fleet which is equal to or less than 1.66 horsepower-hour of nitrogen oxides (g/hp-h of NO_x) by January 1, 2023, and 0.74 g/hp-h of NO_x by January 1, 2031. Upon achieving the 2023 and 2031 emissions targets, Airline shall be required to ensure its fleet average continues to meet the Airport emissions targets. Airline's obligation to meet the 2031 target shall be contingent on the installation of adequate infrastructure to support zero-emission GSE, which is operationally feasible and commercially available. Airline's "Burbank Airport GSE fleet" shall be comprised solely of GSE operated at the Airport. Emissions performance of GSE operating at the Airport cannot be averaged with emissions performance of GSE operating at other airports to demonstrate compliance with the Airport GSE emissions targets.

(b) Clean Construction Policy. The Authority has adopted a Clean Construction Policy, which may be accessed/found at <http://hollywoodburbankairport.com/green-initiatives/>. For all Airport capital improvement projects undertaken by Airline, Airline shall comply, and shall cause its contractors to comply, with such Clean Construction Policy, and shall otherwise ensure its contractors follow clean construction policies to reduce emissions of NO_x such as using low-emission vehicles and equipment, recycling construction and demolition debris, and minimizing non-essential trips through better schedule coordination.

(c) Burbank Airport Employee Ride Share Policy. The Authority has joined the BTMO, which serves all Airport employees and all Airport tenant employers, including

employers with less than 250 employees. Airline is encouraged to also join and to actively participate in the BTMO as an individual member.

ARTICLE XVII NO OBLIGATION TO PROVIDE UTILITIES OR SERVICES

17.01 The Authority Not Responsible. Airline acknowledges that the Authority has no obligation to provide utilities or services to the Exclusive Use Space. Airline shall comply with all rules, regulations and other requirements which any provider or supplier of utilities or services may establish for the use, proper functioning and protection of any such utility or service.

17.02 Fire and Security. The Authority is not obligated to Airline to furnish any fire fighting services or security services for the Premises or other areas of the Airport. Airline acknowledges that the Airport are within the municipal service areas of the City of Burbank and the City of Los Angeles.

ARTICLE XVIII PUBLIC AREAS

18.01 Public Areas. Airline Parties shall be entitled to use all Public Areas located in the Terminal Building, including waiting rooms, restrooms and toilet facilities, in common with the Authority and with other persons authorized by the Authority from time to time to use such facilities.

18.02 Restrictions on Use. The Authority reserves the right, in its sole and absolute discretion, to make changes at any time and from time to time in the size, shape, location, number and extent of Public Areas, or any of them, and specifically further reserves the right to designate portions of Public Areas for the exclusive or non-exclusive use of certain tenants concessionaires, licensees, vendors and other users of the Airport.

18.03 Parking. Notwithstanding that the Authority may lease motor vehicle parking spaces to employees of Airport tenants as such parking spaces may be available, it is expressly understood and agreed that the Authority is not responsible or obligated to provide Airline or Airline Parties with any motor vehicle parking spaces within the Airport or otherwise, as an appurtenance to this Agreement. Airline shall be solely responsible for arranging any and all necessary motor vehicle parking incidental to this Agreement.

ARTICLE XIX SUBORDINATION

19.01 Subordination. This Agreement is subject and subordinate to all mortgages, deeds of trust, bond indentures, liens, encumbrances and other security interests now or hereafter affecting the Premises or any other areas of the Airport, and to all renewals, modifications, replacements, consolidations and extensions thereof (“Senior Lien” and the holder thereof being a “Senior Lienholder”). Airline shall execute and deliver to the Authority or any other party requiring confirmation of such subordination, within ten calendar days following receipt of a request for such confirmation, any and all documents which may be required to effectuate such

subordination. Airline further agrees that this Agreement shall be amended, modified or supplemented in accordance with the reasonable requirements of a Senior Lienholder, so long as such amendment, modification or supplement does not alter the rights or duties of Airline under this Agreement and that Airline's written consent to any such amendment, modification or supplement shall not be unreasonably withheld or delayed. Airline shall give prompt written notice to each Senior Lienholder of which Airline has written notice, of any default of the Authority, and Airline shall allow such Senior Lienholder a reasonable length of time (in any event, not less than 30 days from the date of such notice) in which to cure such default.

19.02 Attornment. Subject to the terms of any nondisturbance agreement between Airline and a Senior Lienholder, in the event that any Senior Lien is foreclosed, Airline, with and at the election of the purchaser or, if there is no purchaser, with and at the election of the holder of the fee title to the Premises or any other area of the Airport, agrees to (i) enter into a new Airport use agreement for the remainder of the term of this Agreement with substantially the same provisions or (ii) attorn to the purchaser and recognize the purchaser as the Authority under this Agreement, provided such purchaser agrees to assume in writing all obligations of the Authority under this Agreement.

19.03 Subordination to Bond Resolution. Without limiting any of the foregoing:

- (a) This Agreement is made subject and subordinate to each Bond Resolution.
- (b) In conflicts between this Agreement and any Bond Resolution, such Bond Resolution shall govern.
- (c) So long as any Bonds secured by a Bond Resolution are outstanding, all Airport Revenue, including interest income, shall be deposited, maintained, and paid as set forth in such Bond Resolution.

ARTICLE XX QUIET ENJOYMENT

Upon payment of all the amounts due hereunder and the observance and performance by Airline of all the provisions on Airline's part to be observed and performed pursuant to this Agreement, Airline may peaceably and quietly enjoy the Exclusive Use Space, subject to the provisions of this Agreement and to any mortgages, deeds of trust, bond indentures, security interests, liens and other encumbrances secured by the Airport or its revenues.

ARTICLE XXI AIRPORT RULES AND REGULATIONS

Airline shall comply with the Airport Rules and Regulations. Airline acknowledges that the Airport Rules and Regulations are available on the Authority's webpage (hollywoodburbankairport.com), and Airline may obtain a hard copy from the Authority upon request. Violations of the Airport Rules and Regulations by Airline or its personnel shall be punishable as stated in the Airport Rules and Regulations including by administrative fines. The Authority shall not be responsible to Airline for the nonperformance of any other airline, tenant, occupant, licensee, concessionaire or user of the Airport of any of the Rules and Regulations.

ARTICLE XXII CONFIDENTIAL INFORMATION

22.01 Prohibition Against Disclosure. Each party covenants and agrees, for itself and its employees, agents, representatives and contractors, that, except as provided in Section 22.02, such party and its employees, agents, representatives and contractors shall maintain and keep in strict confidence and shall not disclose to any other person or entity any Confidential Information relating to the other party or the other party's business or properties. Each party acknowledges and understands that legal remedies may not be adequate in connection with a breach of the provisions of this Article, and, therefore, each party consents to injunctive relief in connection with the enforcement of this Article.

22.02 Permitted Disclosures. Notwithstanding the provisions of Section 22.01, each party shall have a right to disclose Confidential Information (i) to such party's officers, employees, agents, representatives, contractors and consultants as may be necessary in connection with the performance of this Agreement and of such persons' duties; (ii) in connection with litigation, including in response to discovery requests; (iii) in connection with any applicable law or any Agency, including any and all notices, plans or other documents required to be filed with any regulatory agency; (iv) in connection with the California Public Records Act; (v) in connection with the issuance by the Authority of Bonds; (vi) in connection with the Authority's application for or compliance with the requirements of any funding program, grant or other financing; (vii) in connection with the preparation and issuance of financial statements of such party; or (viii) as otherwise is required by law.

22.03 Exclusion from Definition. Notwithstanding the provisions of Section 22.01, the term "Confidential Information" shall not include any information relating to a party to the extent that the information: (i) was already known by the other party at the time of disclosure to the other party; (ii) is or becomes publicly available through no fault of the other party; or (iii) is disclosed by the other party to a third party, provided that at the time of such disclosure such third party was lawfully in possession of such information.

22.04 Survival. The provisions of this Article shall survive expiration or termination of this Agreement.

ARTICLE XXIII COVENANT NOT TO GRANT MORE FAVORABLE TERMS

23.01 Authority Covenant. The Authority covenants and agrees not to enter into any lease, contract or any other agreement with any other certificated air carrier containing more favorable terms than this Agreement, or to grant to any certificated air carrier engaged in Air Transportation, rights, privileges or concessions with respect to the Airport which are not accorded Airline under this Agreement, unless the same rights, terms and privileges are concurrently made available to Airline; provided, however, this covenant shall not extend to Exclusive Use Space, or any leases, contracts or other agreements in effect as of the date hereof with any other certificated air carrier or to any leases, contracts or other agreements with any carrier operating only aircraft of less than 30,000 pounds gross weight.

23.02 Agreement with Other Aircraft Operator. In the event that any aircraft operator shall undertake any operation at the Airport for Air Transportation, the Authority shall require, to the extent legally permissible, such other aircraft operator to execute and deliver an agreement, permit, lease or contract with the Authority providing for:

(a) The payment of landing fees at rates and on such other terms and conditions as are not less than those rates or terms and conditions currently in effect for the Signatory Airlines;

(b) The payment of rental for any space leased from the Authority in the Terminal Building at rates not less than those rates then payable by the Signatory Airlines for similar space or, if space has been constructed by the Authority for such operator, then at rates that compensate the Authority for the cost of providing, maintaining, operating and administering such space over the term of the agreement with such operator;

(c) The payment for the use by such aircraft operator for all common leased areas and operating costs of all baggage handling or passenger service systems, calculated and billed to such operator as in the case of the Signatory Airlines; and

(d) The rent and landing fees for such aircraft operator shall be at least 135% of the rates payable by the Signatory Airlines; and in any event, the landing fees payable by such aircraft operator shall not be less than \$1.56 per 1,000 pounds.

ARTICLE XXIV AIRLINES COMMITTEE

24.01 Airline Representative. With respect to all matters required or permitted hereunder to be approved by the Signatory Airlines or a Majority-In-Interest, and further with respect to any other matter arising pursuant to this Agreement, Airline appoints and will continue to permit a representative to act in its behalf. Such person is and shall be Airline's designated representative on the AAAC.

24.02 Approval. Whenever in this Agreement approval of an act, thing or document is required or permitted by a Majority-In-Interest of Signatory Airlines, such act may be taken, such thing may be done or such document shall be considered approved if a Majority-In-Interest as certified by the then Chairman of the AAAC, has not objected in writing. The Authority, Signatory Airlines, and all affected third parties may rely upon such approval as conclusively binding on Airline.

ARTICLE XXV SECURITY DEPOSIT

25.01 Security Deposit.

(a) To guarantee the faithful performance by Airline of its obligations under this Agreement and the payment of all rentals, fees and charges due hereunder, Airline shall deposit with the Authority on the Commencement Date an irrevocable letter of credit, surety bond or cash ("Security Deposit") in the amount equal to three times the estimated monthly Rental and Landing Fees due during the first full Fiscal Year after the Commencement Date, as determined

by the Authority. The Authority may use the Security Deposit to pay delinquent rentals, fees and other charges payable by Airline hereunder (including PFCs) in order to ensure prompt payment thereof. Airline shall be obligated to maintain such Security Deposit during the term of this Agreement.

(b) If the Security Deposit shall be in the form of an irrevocable letter of credit or surety bond, then such Security Deposit shall be in a form and with a company reasonably acceptable to Authority and licensed to do business in the State. In the event that any such Security Deposit shall be for a period less than the full period required by this Section or if the Security Deposit shall be canceled, Airline shall provide a renewal or replacement Security Deposit for the remaining required period at least 60 days prior to the date of the expiration or cancellation of such Security Deposit and it shall contain a provision allowing for a draw on the then Existing Security Deposit if a renewal or replacement is not provided by such date.

(c) The Authority shall not pay interest on the Security Deposit and shall not be required to keep the Security Deposit separate from its other funds and accounts. If Airline shall have fully performed all terms and conditions of this Agreement, any cash constituting the Security Deposit shall be paid to Airline no later than 30 days after the Expiration Date, without interest; provided, however, if the provisions of Section 2.04 apply, the Authority shall retain such Security Deposit.

25.02 Continuing Obligation. The obligation of Airline to provide and maintain the Security Deposit mentioned above shall be a continuing obligation in the nature of a payment obligation. In the event Authority is required to draw down or collect against Airline's Security Deposit for any reason, Airline shall, within 10 business days after Authority's written notice to Airline of such draw down or collection, take such action as may be necessary to replenish the existing Security Deposit to its original amount or to provide additional or supplemental Security Deposit from another source so that the aggregate of all Security Deposits is equal to the required amount. The Authority shall not be barred from drawing down or collecting against Airline's Security Deposit by: (i) the insolvency of Airline; (ii) the election of Airline to take the benefit of any present or future insolvency statute; (iii) a general assignment by Airline for the benefit of creditors; or (iv) any action of Airline to seek a reorganization or the readjustment of its indebtedness under any law including the filing by Airline of a voluntary petition of bankruptcy or the institution of proceedings against Airline or the adjudication of Airline as bankrupt.

ARTICLE XXVI MISCELLANEOUS

26.01 JPA Supermajority Vote Requirement Incorporation. The Supermajority Vote requirements of Section 2.3.5 of the Authority's governing Amended and Restated Joint Exercise of Powers Agreement, which apply to certain decisions of the Authority Commission, are incorporated by reference.

26.02 Depreciation / Tax Credit Claim Waiver. Airline hereby makes an irrevocable election (binding on itself and all successors in interest, if any) that it will not claim depreciation or investment tax credits with respect to any of the property being leased hereunder.

26.03 Offset Statement.

(a) Airline shall from time to time, upon not less than 10 days' prior written notice from the Authority, execute, acknowledge and deliver to the Authority a statement in writing:

(1) Certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement, as so modified, is in full force and effect).

(2) Setting forth the dates to which the Rental, Common Use Fees, Landing Fee and other charges, if any, are paid.

(3) Acknowledging that there are not, to Airline's knowledge, any uncured defaults on the part of the Authority hereunder (or specifying such defaults if any are claimed).

(b) Any such statement may be relied upon by any encumbrancer of the Premises or any other areas of the Airport. Airline's failure to deliver such statement within such time shall be conclusive evidence upon Airline that:

(1) This Agreement is in full force and effect, without modification except as may be represented by the Authority;

(2) There are no uncured defaults in the Authority's performance; and

(3) Not more than one month's installment of the Rental, Common Use Fees or Landing Fee has been paid in advance.

26.04 Notices. Any notices, invoices, or other documents related to this Agreement shall be deemed received on: (a) the day of delivery, if delivered by hand during the receiving party's regular business hours or by e-mail before or during the receiving party's regular business hours; (b) the business day after delivery, if delivered by e-mail after the receiving party's regular business hours; or (c) on the second business day following deposit in the United States mail, postage prepaid, to the addresses listed in Section 1.01, or to such other addresses as the parties may, from time to time, designate in writing. Any notice delivered by e-mail that concerns breach or termination of this Agreement shall concurrently be sent by deposit in the United States mail, postage prepaid but such notice shall be deemed received on the day of e-mail delivery.

26.05 Recording. Airline shall not record this Agreement without the prior written consent of the Authority. In the event the Authority consents to recordation of this Agreement or a memorandum thereof, any documentary transfer taxes shall be paid by Airline.

26.06 Governing Law. This Agreement shall be governed by and construed pursuant to the law of the State of California.

26.07 Attorney Fees. In the event of any action or proceeding (including any bankruptcy proceeding) to enforce or construe any of the provisions of this Agreement, the prevailing party in any such action or proceeding shall be entitled to attorney fees and costs.

26.08 No Waiver. No waiver of any breach or default shall be construed as a continuing waiver of any provision or as a waiver of any other or subsequent breach of any provision contained in this Agreement. The waiver by either party of any provision of this Agreement shall not be deemed to be a waiver of any other provision hereof or of any subsequent breach of the same or any other provision. The Authority's consent to any act by Airline requiring the Authority's consent shall not be deemed to render unnecessary the obtaining of the Authority's consent to any subsequent act by Airline, whether or not similar to the act so consented. The subsequent acceptance by the Authority of any amount due from Airline hereunder shall not be deemed to be a waiver of any preceding breach or Default Event by Airline of any provision of this Agreement, other than the failure of Airline to pay the particular amount so accepted, regardless of the Authority's knowledge of such preceding breach at the time of acceptance of such amount. No waiver on the part of the Authority with respect to any provision of this Agreement shall be effective unless such waiver is in writing.

26.09 Nonliability of Individuals. No commissioner, councilman, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or because of any breach thereof or because of its or their execution or attempted execution.

26.10 Generally Accepted Accounting Principles. Whenever any report or disclosure referred to in this Agreement consists, either in whole or in part, of financial information, such report or disclosure shall be prepared in accordance with generally accepted accounting principles.

26.11 No Representations by the Authority. Airline acknowledges that neither the Authority nor any of the Authority Parties have made any representations, warranties or promises with respect to the Premises or any other areas of the Airport, except as herein expressly set forth. Airline acknowledges that it has not executed this Agreement in reliance upon any representations, warranties or promises of the Authority or any of the Authority Parties, with respect to the Airport, the Premises or any other areas of the Airport, except as herein expressly set forth.

26.12 Relationship Between Parties. Nothing contained in this Agreement shall be construed to create the relationship of principal and agent, partnership, joint venture or any other relationship between the parties hereto, other than the relationship of landlord and tenant and licensor and licensee. Neither the Authority nor Airline are the legal representatives or agents of the other party for any purpose whatsoever and neither party shall have the power or authority to assume or create, in writing or otherwise, any obligation or responsibility of any kind, express or implied, to transact business, to make any warranty or otherwise to act in any manner in the name of or on behalf of the other party. This Agreement shall not be construed as constituting or creating a partnership between the Authority and Airline or as creating any other form of legal association between the Authority and Airline which would impose liability upon one party for the act or the failure to act of the other party.

26.13 Trademarks. Airline acknowledges and agrees that any and all names, trademarks, tradenames and logos (collectively, “Trademarks”) owned or used by the Authority are proprietary to the Authority, and Airline shall not use any of the Trademarks for any purpose whatsoever.

26.14 Survival. Expiration or termination of this Agreement shall not affect rights or obligations of the parties expressly designated as continuing.

26.15 Successors and Assigns. The provisions contained in this Agreement shall bind and inure to the benefit of the Authority, Airline and, except as otherwise provided in this Agreement, their respective successors and assigns.

26.16 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

26.17 Incorporation of Mandatory Language. Each and every provision required by law to be inserted in this Agreement shall be deemed to be inserted and this Agreement shall be read and enforced as though such provision were included. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon request of either party this Agreement shall promptly be amended to make such insertion or correction.

26.18 Entire Agreement. This Agreement (and the attached Exhibits) represents the entire and integrated contract between the parties regarding Airline’s use of the Airport. Subject to Section 1.04, this Agreement supersedes all prior oral or written negotiations, representations and contracts related to Airline’s use of the Airport. This Agreement may not be amended, nor any provision or breach waived, except in a writing that is signed by the parties and that expressly refers to this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

EXECUTED:

[airline name]

[use this signature block if Airline is a corporation]

☐ Chairperson ☐ President ☐ Vice President

☐ Secretary ☐ Asst. Secretary
☐ Chief Finance Officer ☐ Asst. Treasurer

Date: _____

Date: _____

[Pursuant to California Corporations Code Section 313, both signature lines must be executed unless the signatory holds at least one of the offices designated on each line.]

[use this signature block if Airline is a limited liability company]

Manager

Manager

Date: _____

Date: _____

[Pursuant to California Corporations Code Section 17703.01(d), both signature lines must be executed unless the articles of incorporation state that the firm is managed by only one manager.]

Burbank-Glendale-Pasadena Airport Authority

President

Date: _____

Approved as to form:

Richards, Watson & Gershon
A Professional Corporation

EXHIBIT A
Airport Layout Plan

See Attached Plot Plan

EXHIBIT B
Airline Support Facility

See Attached Plot Plan

EXHIBIT C
Airport Cost Centers

<u>Code Number</u>	<u>Title and Descriptive Use</u>
TERMINAL BUILDING AREA:	
4-01-30	Maintenance Airport Terminal Building
4-01-31	Operations, Security Airport Terminal Building
4-01-33	Non-Operating Expenses
4-01-35	TV and Movie Location
4-01-40	Operations, Land Side
PARKING AND ROADWAY AREA:	
4-02-21	Maintenance
4-02-22	Parking Operations
4-02-23	Operations, Security
4-02-24	Non-Operating Expenses
AIRFIELD AREA:	
4-03-40	Operations, Air Side
4-03-80	Maintenance Runways, Taxiways, & Perimeter Roadway
4-03-82	Operations, Security Runways, Taxiways, & Perimeter Roadway
4-03-84	Non-Operating Expenses
LEASED BUILDINGS AND AREAS:	
4-04-08	Maintenance based Buildings & Areas
4-04-10	Operations, Security-Leased Buildings & Areas
4-04-36	Airport Authority Areas or Facilities
4-04-38	Non-Operating Expenses
Each Airport Cost Center is allocated a portion of the following expenses:	
ADMINISTRATIVE:	
4-05-01	Administrative Overhead
PUBLIC RELATIONS:	
4-06-01	Public Relations
NOISE:	
4-06-02	Noise Related
AIRPORT DEVELOPMENT:	
4-07-01	Airport Development Fund

EXHIBIT D
Description of Apron Area

See attached plot plan for layout of such space at Airport.

EXHIBIT E
Notice Abatement Rules

Authority Commission Resolution No. 471

(attached)

EXHIBIT F
Landing Fees Report Form

(attached)

EXHIBIT G
Tenant Improvement Request Form

REQUEST FOR APPROVAL
PROPOSED TENANT IMPROVEMENT

1. INFORMATION

Tenant _____ Building # _____
Name of Contact _____ Phone # _____
Address _____ Email: _____
Describe Proposed Improvements * _____

Estimated cost of improvements _____

Estimated start date _____ Completion date _____

***Attach sketches or drawings as required to clearly indicate the type, size, height and location of proposed improvements.

2. PRELIMINARY APPROVALS

Airport Administration: Approved/Disapproved _____ Date _____
Comments _____

Airport Engineering: Approved/Disapproved _____ Date _____
Comments _____

Airport Operations: Approved/Disapproved _____ Date _____
Comments _____

3. FINAL REVIEW AND APPROVAL

Airport Operations (Reviewed by) _____ Date _____
Contracts & Properties (Reviewed by) _____ Date _____
Engineering Department (Reviewed by) _____ Date _____
Environmental & Noise (Reviewed by) _____ Date _____
Fire Department (Reviewed by) _____ Date _____
IT Department (Reviewed by) _____ Date _____
Maintenance Department (Reviewed by) _____ Date _____
Safety & Security (Reviewed by) _____ Date _____

4. PRE-CONSTRUCTION

Contractor _____ License # _____
Address _____
Contract Price _____ Phone # _____
Construction Commencement Date _____ End Date _____

***Be sure to have a Certificate of Insurance, Material and Labor Bond and an Indemnification & Defense Agreement.

Tenant Representative (Signed) _____ Date _____

5. FINAL APPROVAL

Airport Engineering (Reviewed by) _____ Date _____

INSTRUCTIONS FOR COMPLETING THIS FORM

The following procedures are to be followed by all Airport Tenants desiring to make improvements to their leasehold. Close adherence to the procedures and regulations outlined below will greatly aid in expediting the processing and approval of each Proposed Improvement.

1. Tenant shall complete Section 1 of this form and submit to: Burbank-Glendale-Pasadena Airport Authority, Administration Department, 2627, Hollywood Way, Burbank, CA 91505.
2. Upon receipt of this Request Form, Airport Administration will review the Proposed Improvement and, if the proposal is considered to be basically acceptable, it will then be forwarded to Airport Engineering for further review and evaluation. However, if the proposal is not considered to be basically acceptable, the Request Form will be returned to the Tenant accompanied by a written statement from the Authority as to why the request is being denied at this stage.
3. The Airport Administration and Engineering departments will determine any impact of the Proposed Improvement on the Airport Master Plan, Airport Facilities, Navigable Airspace Requirements of Federal Aviation Regulations Part 77, and/or if it conforms to the Airport Rules and Regulations. Upon completion the form will be returned to the Tenant. The form will indicate whether preliminary approval has been granted, and if not granted, the reason for denial.
4. Upon receipt of preliminary approval, the Tenant shall proceed with preparing final plans and specifications for the Proposed Improvement. The plans and specifications shall conform to the following requirements: five (5) sets of plans and specifications shall be submitted by the Tenant with this form to Airport Engineering for review by the Airport Operations Department, Airport Safety & Security, Airport Maintenance, Airport Fire Department, Authority Insurance Underwriter, and final review and approval by Airport Administration.
5. After the plans have received final approval and the Tenant has received written confirmation of this approval on this form, the Tenant shall then complete Section 4 and re-submit this form to the Authority, notifying Engineering of their intent to begin construction. Prior to receiving approval to begin construction and after all insurance and bond requirements have been satisfied, an Indemnification & Defense Agreement has been submitted to the Authority, and Building permits and any other necessary permits are on file with the Authority, a pre-construction meeting must be held in the Authority Administrative offices. When all of these requirements have been satisfied, approval to begin construction will be granted on the form and a copy returned to the Tenant.
6. All Tenants shall, within thirty (30) days after completion, submit to Airport Engineering one set of "as built" plans. Also, an itemized summary of construction costs shall be forwarded to Airport Administration. The itemized summary shall be signed by the contractor and notarized.

- NOTES:**
- (a) For smaller projects costing less than \$5,000, the Authority may, at its discretion, waive any or all of the above requirements.
 - (b) Airport approval does not constitute a substitution of approval from any other governmental agency having jurisdiction.

PLANS AND SPECIFICATIONS

Plans shall be drawn to scale and dimensioned on standard size drawing sheets for future reference and file retention, and shall be of sufficient clarity to indicate the nature and extent of the work proposed and show in detail that it conforms to the provisions of the governing codes, ordinances, rules and regulations. The minimum number of drawings normally acceptable with each set of plans submitted for final review and approval will generally consist of a plot plan, foundation plan, floor plan, elevations, framing section and details. Electrical, plumbing, heating and air conditioning plans and details shall be submitted when applicable. Foundation recommendations, including calculations and a soils investigation report shall be submitted when appropriate or requested by Airport Engineering. All design documents, including required calculations, shall be prepared, stamped, and signed by a licensed professional engineer or architect registered in the State of California. Engineers shall be licensed for the specific discipline required. Drawings/specifications and/or calculations prepared by contractors and/or fabricators will not be acceptable.

OTHER REQUIREMENTS

INSURANCE

Contractor shall take out and maintain during the period of the Contract the following insurance and amounts unless a larger amount is specified on the Approval Request Form:

Comprehensive General Liability:	\$1,000,000 single limit for combined Bodily Injury and Property Damage for each occurrence. \$1,000,000 for Personal Injury for each occurrence.
Comprehensive Automobile Liability:	\$1,000,000 single limit for combined Bodily Injury and Property Damage for each occurrence.
Workers' Compensation:	California statutory requirements

Liability policies shall name the Burbank-Glendale-Pasadena Airport Authority as an Additional Insured. Certificates of Insurance on all policies shall be filed with Airport Engineering. Each of such insurance policies shall contain a provision requiring the insurer to notify the Burbank-Glendale-Pasadena Airport Authority ten (10) days prior to the cancellation or material change in the Policy.

BOND

The Tenant shall require the contractor to obtain a material and labor bond equal to the contract price of the work. A copy of such bond shall be forwarded to Airport Engineering.

INDEMNIFICATION & DEFENSE AGREEMENT

The Tenant and its Contractor agree to and do hereby indemnify, defend and hold harmless the Burbank-Glendale-Pasadena Airport Authority, and its officers, agents, employees and contractors from all claims, demands, liabilities, losses, damages, costs and expenses, of any nature whatsoever, caused by or arising from, directly or indirectly, any act or omission (including, without limitation, negligent acts, negligent omissions, willful misconduct and any violation of the terms of that certain Lease between Tenant and Authority in, on or near the Bob Hope Airport by Contractor, or its subcontractors, agents or employees (including without limitation work done by Contractor for Tenant on Tenant's leased premises

EXHIBIT H
Request for Extension

[insert Airline's
contact information]

Re: Request for Extension of Airport Use Agreement

The Burbank-Glendale-Pasadena Airport Authority (“Authority”) hereby requests _____ (“Airline”) to extend the Stated Expiration Date of the Airport Use Agreement, dated _____, 20____ (the “Airport Use Agreement”), by and between Airline and Authority to _____. This Request for Extension (this “Request”) is being delivered by the Authority to Airline pursuant to Section 2.02(c) of the Airport Use Agreement.

Capitalized terms used but undefined herein shall have the meanings ascribed thereto in the Airport Use Agreement.

Dated: _____, 20_____

BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY

By: _____
Authorized Representative

EXHIBIT I
Certificate of Acceptance

Burbank-Glendale-Pasadena
Airport Authority
2627 Hollywood Way
Burbank, California 91505
Attention: Executive Director

Re: Request for Extension of Airport Use Agreement

_____ (“Airline”) hereby consents to the request by the Burbank-Glendale-Pasadena Airport Authority (“Authority”) to extend the Stated Expiration Date of the Airport Use Agreement, dated _____, 20____ (the “Airport Use Agreement”), by and between Airline and Authority. The Stated Expiration Date of the Airport Use Agreement shall be _____. This Certificate of Acceptance is delivered pursuant to Section 2.02(c) of the Airport Use Agreement.

Capitalized terms used but undefined herein shall have the meanings ascribed thereto in the Airport Use Agreement.

Dated: _____, 20____

[AIRLINE]

By: _____
Authorized Representative

EXHIBIT J
DESCRIPTION OF EQUIPMENT
TO BE OPERATED AND MAINTAINED BY CONSORTIUM

Out-bound Baggage Conveyor Systems

In-line Baggage Screening Conveyor Systems

In-bound Baggage Conveyor Systems

Baggage Claim Carousels

Electric Battery Charger System for Ground Service Equipment (Airside)

Common Use Passenger Processing System hardware (including but not limited to desktop computers, keyboards, monitors, printers, reading devices, self-service kiosks, flight and baggage flight information displays, ticket counter baggage scales and telephone support systems) and software

Aircraft Boarding Equipment

Spare Parts Inventory

Curbside Skycap Counter and Baggage Conveyor

EXHIBIT K
Inspection Form
(Sample Only)

Bob Hope Airport – In-line EDS Baggage Inspection
Mechanical Dynamic Inspection – Node 1: ‘A’ Carriers

Sunday

Page 1 of 2

	Item to be Verified / Tested	AC-100	N1-102	N1-103	N1-104	N1-105	N1-106	N1-107	N1-108
1	Gearbox Temp								
2	Motors Amp Draw								
3	Belt tracking								
4	Excessive vibration								
6	Abnormal noises								
7	Bearing temp								
8	Photo eye - Aligned & Tight	Night	Night	Night					
9	Grease								

Notes:

	Item to be Verified / Tested	N1-109	N1-110	N1-201	N1-202	N1-203	N1-204	N1-205	N1-206
1	Gearbox Temp								
2	Motors Amp Draw								
3	Belt tracking								
4	Excessive vibration								
6	Abnormal noises								
7	Bearing temp								
8	Photo eye - Aligned & Tight								
9	Grease								

Notes:

	Item to be Verified / Tested	N1-207	N1-208	N1-209	N1-210	N1-211	N1-212	N1-117	N1-118
1	Gearbox Temp								
2	Motors Amp Draw								
3	Belt tracking								
4	Excessive vibration								
6	Abnormal noises								
7	Bearing temp								
8	Photo eye - Aligned & Tight								
9	Grease								

Notes:

Date:

Time: _____

Employee: _____

**Bob Hope Airport – In-line EDS Baggage Inspection
Mechanical Dynamic Inspection – Node 1: ‘A’ Carriers**

Sunday

Page 2 of 2

	Item to be Verified / Tested	AC-1	AC-2	N1-400	N1-401	N1-200	N1-111	N1-112	N1-113
1	Gearbox Temp								
2	Motors Amp Draw					Night Work			
3	Belt tracking								
4	Excessive vibration								
6	Abnormal noises								
7	Bearing temp								
8	Photo eye - Aligned & Tight	Night Work	Night Work	Night Work	Night Work				
9	Grease								

Notes:

	Item to be Verified / Tested	N1-114	N1-115	N1-116	N1-303	N1-304	N1-301	N1-302	N1-213
1	Gearbox Temp								
2	Motors Amp Draw								
3	Belt tracking								
4	Excessive vibration								
6	Abnormal noises								
7	Bearing temp								
8	Photo eye - Aligned & Tight								
9	Grease								

Notes:

	Item to be Verified / Tested	N1-214	N1-215	N1-300	N1-216	N1-217	N1-218	N1-219	N1-MU1
1	Gearbox Temp								
2	Motors Amp Draw			Night Work					Night Work
3	Belt tracking								
4	Excessive vibration								
6	Abnormal noises								
7	Bearing temp								
8	Photo eye - Aligned & Tight								
9	Grease								

Notes:

Date:

Time: _____

Employee: _____

EXHIBIT L

AIP Requirements

For purposes of this Exhibit, the term “Contractor” means “Airline.”

1. General Civil Rights Provisions

A. In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

B. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

C. The above provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract.

2. Civil Rights – Title VI Assurance

A. During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

1. Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

2. 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);

3. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

4. Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

5. The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);

6. Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

7. The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

8. Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

9. The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

10. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);

11. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];

12. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

B. During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”), agrees as follows:

1. Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. Nondiscrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities,

including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

3. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance:** In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

 a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or

 b. Cancelling, terminating, or suspending a contract, in whole or in part.

6. **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

EXHIBIT M
Form of RPT Funding Plan and 5-Year CPE Projection Report
(per Section 5.03)

See Attached

(A draft is expected to be available by mid-November)

AVERAGE AIRLINE COST PER ENPLANED PASSENGER

(For Fiscal Years Ending June 30)

	BUDGET FY 2024	PROJECTED							
		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Airline Terminal Space Rentals									
Airline Landing Fee Revenues									
Total Airline Revenue									
Enplaned Passengers	3,150,748	3,222,412	3,293,805	3,365,537	3,437,637	3,510,234	3,583,305	3,656,672	3,730,455
Average Airline Cost per Enplaned Passenger									
Average Airline Cost per Enplaned Passenger (2023 dollars)									

CASH FLOW AND DEBT SERVICE COVERAGE

(For Fiscal Years Ending June 30)

	BUDGET FY 2024	PROJECTED							
		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
NET REVENUES									
Total Airline Revenues									
Total Non-Airline Revenues									
Total Non-Operating Revenues									
Debt Service Coverage Fund Interest									
Total Pledged Revenues									
Less: Operating Expenses									
Net Revenues									
RATE COVENANT: SECTION 6.05(a)									
Net Revenues									
Add: Offsets to Debt Service									
PFC Revenue applied to Debt Service									
CFC Revenue applied to Debt Service									
Less:									
Debt Service on Existing Bonds									
Debt Service on Future GARBs									
Debt Service on Future TIFIA Loan									
Commercial Paper Program Interest									
Deposits to O&M Reserve Account									
Must Not Be Less Than Zero									
DEBT SERVICE COVERAGE									
Net Revenues									
Transfer									
Adjusted Net Revenues									
Accrued Debt Service (on Series bonds)									
Debt Service									
Less: Offsets to Debt Service									
PFC Revenue applied to Debt Service									
CFC Revenue applied to Debt Service									
Accrued Debt Service									
Must Be At Least 1.25									
APPLICATION OF REVENUES									
Cash and investments - Beginning Balance									
Change in assets									
Authority funds used for capital projects									
Cash and investments - Ending Balance									

EXHIBIT N
Description of Common Use Space

[To be attached when available before Commencement Date]

EXHIBIT O
Description of Exclusive Use Space

[To be attached when available, see Section 4.01(b)(1)]